RED HERRING PROSPECTUS
Dated: March 13, 2017
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

SHANKARA BUILDING PRODUCTS LIMITED

Our Company was originally incorporated as Shankara Pipes India Private Limited on October 13, 1995 at Bengaluru, Karnataka, India as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the Registrar of Companies, Bangalore, Karnataka ("**RoC**") on August 28, 2007 in the name of Shankara Pipes India Limited. The name of our Company was subsequently changed to Shankara Infrastructure Materials Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 25, 2011. Thereafter, the name of our Company was changed to Shankara Building Products Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 27, 2016. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 109.

Registered and Corporate Office: G2, Farah Winsford, No. 133, Infantry Road, Bengaluru 560 001, Karnataka, India
Contact Person: Ereena Vikram, Company Secretary and Compliance Officer; **Tel**: +91 80 4011 7777; **Fax**: +91 80 4111 9317
E-mail: info@shankarabuildpro.com; **Website**: www.shankarabuildpro.com
Corporate Identity Number: U26922KA1995PLC018990

OUR PROMOTER: SUKUMAR SRINIVAS

PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SHANKARA BUILDING 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 ₹ 450 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 816,252 EQUITY SHARES BY OUR PROMOTER, SUKUMAR SRINIVAS AND UP TO 5,705,488 EQUITY SHARES BY FAIRWINDS TRUSTEES SERVICES PRIVATE LIMITED ACTING IN THE CAPACITY OF TRUSTEE OF RELIANCE ALTERNATIVE INVESTMENTS FUND – PRIVATE EQUITY SCHEME I (COLLECTIVELY THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹ [●] MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE AT LEAST 25% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

THE FACE VALUE OF THE 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 ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER BUSINESS STANDARD AND THE BENGALURU EDITION OF THE KANNADA NEWSPAPER VIJAYAVANI (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

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

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 accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**") at the Anchor Investor Allocation Price, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily use the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details, see "*Offer Procedure*" on page 198.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 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 73) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 15.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares to be offered through this 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 October 25, 2016 and November 11, 2016, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which will be available for inspection from the date of this Red Herring Prospectus, up to the Bid/Offer Closing Date, see "*Material Contracts and Developments*" on page 321.

BOOK RUNNING LEAD MANAGERS TO THE OFFER			REGISTRAR TO THE OFFER
IDFC BANK	Equirus	HDFC BANK We understand your world	KARVY Computershare
IDFC Bank Limited Naman Chambers C-32, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Tel: +91 22 6622 2600 Fax: +91 22 6622 2501 E-mail: shankara.ipo@idfcbank.com Investor Grievance E-mail: mb.ig@idfcbank.com Website: www.idfcbank.com Contact Person: Mangesh Ghogle /Mohit Baser SEBI Registration No.: MB/INM000012250	**Equirus Capital Private Limited** 12th Floor, C Wing, Marathon Futurex N.M. Joshi Marg, Lower Parel Mumbai 400 013 Tel: +91 22 4332 0600 Fax: +91 22 4332 0601 E-mail: shankara.ipo@equirus.com Investor Grievance E-mail: investorsgrievance@equirus.com Website: www.equirus.com Contact Person: Swati Chirania/ Gaurav Phadke SEBI Registration No: INM000011286	**HDFC Bank Limited** Investment Banking Group Unit No 401& 402, 4th floor, Tower B Peninsula Business Park Lower Parel, Mumbai 400 013 Tel: +91 22 3395 8015; Fax: +91 22 3078 8584 E-mail: shankara.ipo@hdfcbank.com Investor Grievance E-mail: investor.redressal@hdfcbank.com Website: www.hdfcbank.com Contact Person: Keyur Desai/ Rishi Tiwari SEBI Registration No: INM000011252	**Karvy Computershare Private Limited** Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 E-mail: einward.ris@karvy.com Investor Grievance E-mail: shankara.ipo@karvy.com Website: https://karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	**March 22, 2017**(1)
BID/OFFER CLOSES ON	**March 24, 2017**

(1) 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.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

Term	Description
"our Company", "the Company" or "the Issuer"	Shankara Building Products Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at G2, Farah Winsford, No. 133, Infantry Road, Bengaluru 560 001, Karnataka, India
"we", "us" or "our"	Our Company and our Subsidiaries

Company Related Terms

Term	Description
Articles of Association or AoA	Articles of Association of our Company, as amended
Audit and Risk Management Committee	Audit and risk management committee of our Company
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, Haribhakti & Co., LLP, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
CCDs	Compulsorily convertible debentures bearing coupon rate of 1.44% issued by our Company
CFO	Chief financial officer of our Company
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company
CRIPL	Centurywells Roofing India Private Limited
Director(s)	Director(s) on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Directors	Executive Directors of our Company
Fairwinds	Fairwinds Trustees Services Private Limited, formerly called Reliance Alternative Investments Services Private Limited, which holds Equity Shares in the capacity of trustee of Reliance PE Scheme I
FAML	Fairwinds Asset Managers Limited, for details see *"Capital Structure"* on page 64
Fairwinds SA	Subscription agreement dated February 24, 2011 executed between our Promoter, our Company, certain other shareholders of our Company and Reliance PE Scheme I acting through its trustee Fairwinds
Fairwinds SHA	Shareholders' agreement dated February 24, 2011 executed between our Promoter, our Company, certain other existing shareholders and Reliance PE Scheme I acting through its trustee Fairwinds
Group Entities	Our Group Entities are: 1. Shankara Meta-Steels India Private Limited; and 2. Shankara Holdings Private Limited. For details, see "*Our Group Entities*" on page 137
IPO Committee	IPO committee of our Company
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, the Companies Act, 2013 and as disclosed in "*Our Management*" on page 132
Managing Director	Managing Director of our Company
Memorandum of Association or MoA	Memorandum of Association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations For details see, "*Our Promoter and Promoter Group*" on page 136
Promoter	Promoter of our Company namely, Sukumar Srinivas For details, see "*Our Promoter and Promoter Group*" on page 135
Reliance PE Scheme I	Reliance Alternative Investments Fund – Private Equity Scheme I
Registered and Corporate Office	Registered and corporate office of our Company located at G2, Farah Winsford, No. 133, Infantry Road, Bengaluru 560 001, Karnataka, India
Registrar of Companies/RoC	Registrar of Companies, Bangalore, Karnataka
Restated Consolidated Financial Statements	The audited and restated consolidated financial statements of our Company, along with our subsidiaries for the Financial Years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, and March 31, 2016 and for the nine months period ended December 31, 2016, which comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss and the restated consolidated cash flow statement, together with the

Term	Description
	annexures and notes thereto
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The audited and restated standalone financial statements of our Company for the Financial Years ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015 and March 31, 2016, and the nine months period ended December 31, 2016, which comprises the restated standalone balance sheet, the restated standalone statement of profit and loss and the restated standalone cash flow statement, together with the annexures and notes thereto
Shankara Holdings	Shankara Holdings Private Limited
Shankara Meta-Steels	Shankara Meta-Steels India Private Limited
Shareholder(s)	Shareholder of our Company
SNHL	Steel Network Holdings Pte Ltd
Stakeholder's Relationship Committee	Stakeholder's relationship committee of our Company
Subsidiaries or individually known as Subsidiary	Subsidiaries of our Company, namely: 1. Centurywells Roofing India Private Limited; 2. Steel Network Holdings Pte Ltd; 3. Taurus Value Steel & Pipes Private Limited; and 4. Vishal Precision Steel Tubes and Strips Private Limited
TVSPPL	Taurus Value Steel & Pipes Private Limited formerly called Taurus Tubes & Pipes Private Limited
VPSPL	Vishal Precision Steel Tubes and Strips Private Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful 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(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, 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 ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Escrow Collection Bank(s), Public Issue Account Bank(s) and Refund Bank(s)

Term	Description
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure—Basis of Allocation*" on page 227
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations 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 or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in two national daily newspapers, one each in English newspaper Business Standard and Hindi newspaper Business Standard, and in one Kannada daily newspaper Vijayavani, each with wide circulation
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English newspaper Business Standard and Hindi newspaper Business Standard, and in one Kannada daily newspaper Vijayavani, 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 this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms, i.e, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, IDFC, Equirus and HDFC
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=7 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm.)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	The agreement dated March 13, 2017 entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the

Term	Description
	respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which instructions are given to the Escrow Collection Bank(s) to transfer funds from Anchor Escrow Account(s) and SCSBs to unblock the ASBA Accounts and transfer the amounts blocked in the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus and the Prospectus
Designated Intermediaries	Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated September 28, 2016, issued in accordance with the SEBI ICDR Regulations and filed with SEBI on September 29, 2016, which did not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible NRI(s)	NRI(s) eligible to invest under schedule 4 of the FEMA Regulations, on a non-repartiation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and this Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Karvy Computershare Private Limited
Escrow Collection Bank(s)	The Banker(s) to the Offer with whom the Anchor Escrow Account(s) will be opened, in this case being HDFC (in its capacity as a Banker to the Offer)
Equirus	Equirus Capital Private Limited
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under schedule 2 of the FEMA Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under schedule 2A of the FEMA Regulations
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹450 million by our Company
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in "*Offer Procedure—General Information Document for Investing in Public Issues*" on page 207
Gross Proceeds	The Offer Proceeds less the amount to be raised pursuant to the Offer for Sale by the Selling Shareholders
HDFC	HDFC Bank Limited
IDFC	IDFC Bank Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
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
Net Proceeds	Gross 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 169
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders/NIBs	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FIIs and FPIs. Non-residents are not permitted to participate in the Offer, except (i) an FPI (investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (ii) an FII (investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations); or (iii) an Eligible NRI (investing on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations)

Term	Description
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating to ₹[●] comprising the Fresh Issue and the Offer for Sale
Offer Agreement	The agreement dated September 28, 2016 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 6,521,740 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of this Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with BRLMs, on the Pricing Date
Offer Proceeds	The proceeds of this Offer that will be 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 any 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 BRLMs and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and the Bengaluru edition of the Kannada newspaper Vijayavani (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located). It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with 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, *inter-alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Escrow Account(s) and ASBA Accounts on or after the Designated Date
Public Issue Account Bank	The Banker(s) to the Offer with whom the Public Issue Account(s) shall be maintained, in this case being HDFC (in its capacity as a Banker to the Offer)
QIB Category/QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Offer consisting of [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors)
Qualified Institutional Buyer(s) or QIBs or QIB Bidders	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This Red Herring Prospectus dated March 13, 2017, 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 This Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being HDFC (in its capacity as a Banker to the Offer)
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members are eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form(s)	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.

Term	Description
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Selling Shareholders	Our Promoter and Fairwinds acting in the capacity of trustee of Reliance PE Scheme I
Share Escrow Agreement	The agreement dated March 13, 2017 entered into among the Selling Shareholders, our Company, the BRLMs and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Form
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement dated February 28, 2017 entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, HDFC Securities Limited, Sharekhan Limited and Equirus Securities Private Limited
Underwriter(s)	The BRLMs and the Syndicate Members
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	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
Alstone	Alstone International
APL Apollo	APL Apollo Tubes Limited
B2B	Business to business
B2C	Business to customer
CNBC TV	Consumer News and Business Channel Television
CP	Commercial plumbing
CPVC	Chlorinated polyvinyl chloride
CR	Cold rolled
CRISIL	CRISIL Limited
CRISIL Research	CRISIL Research – a division of CRISIL Limited
CRISIL Report	CRISIL Research Report titled Assessment of Housing and Building Material Industry in India, September 2016 dated September 26, 2016 read alongwith addendum dated February 3, 2017
ERP	Enterprise resource planning
ERW	Electric resistance welded pipes
FIFO	First-in First-out
FRP	Fibre-reinforced plastic
Futura	Futura Kitchen Sinks India Private Limited
GC	Galvanized corrugated
GI	Galvanised iron
GP	Galvanised plain
HR	Hot rolled
IT	Information technology
Johnson	H&R Johnson (India), a division of Prism Cement Limited
M Sand	Manufactured sand
mn	Million
MIS	Management information system
MT	Million tonnes
MTPA	Million tonnes per annum
OEMs	Original equipment manufacturers
PVC	Polyvinyl chloride
RMC	Ready mix cement
SAW	Submerged arc welded pipes
Sintex	Sintex Industries Limited
SKU	Stock keeping unit
Sq. Ft.	Square feet
SSSG	Same Store Sales Growth

Term	Description
Tier-I Cities	Hyderabad, Bengaluru, Mumbai and Chennai
Tier-II Cities	Vijayawada, Warangal, Visakhapatnam, Ahmedabad, Rajkot, Vadodara, Surat, Belgaum, Hubli-Dharwad, Mangaluru, Mysore, Kozhikode, Kochi, Thiruvananthapuram, Aurangabad, Kolhapur, Puducherry, Salem, Coimbatore, Tiruchirappalli and Madurai
Tier-III Cities	Other than Tier-I and Tier-II Cities mentioned above
TMT	Thermo mechanical treatment
UPVC	Unplasticized polyvinyl chloride
Uttam Galva	Uttam Galva Steels Limited
Uttam Value	Uttam Value Steels Limited

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AIDS	Acquired Immune Deficiency Syndrome
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards issued by the ICAI
BIS	Bureau of Indian Standards
BIS Act	Bureau of Indian Standards Act, 1986
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services Limited
CIN	Corporate identity number
Civil Code	Civil Procedure Code, 1908
CETA	Central Excise Tariff Act 1985
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013 as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	Consolidated FDI Policy, effective from June 7, 2016, issued by the DIPP including any modifications thereto or substitutions thereof
CST	Central sales tax
CST Act	Central Sales Tax Act, 1956
CSR	Corporate social responsibility
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EGM	Extraordinary general meeting
EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
ESOP	Employee stock option plan
Excise Act	Central Excise Act, 1944
Factories Act	The Factories Act, 1948
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
Finance Act	Chapter V of the Finance Act, 1994
Financial Year/Fiscal(s)/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations

Term	Description
GoI	Government of India
GST/ GST Act	Goods and Service Tax, Act 2016
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HIV	Human Immunodeficiency Virus
ICAI	The Institute of Chartered Accountants of India
ICICI	ICICI Bank Limited
IFRS	International Financial Reporting Standards
HUF	Hindu undivided family
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISO	International Organisation for Standardisation
IST	Indian Standard Time
Legal Metrology Act	Legal Metrology Act, 2009
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MAT	Minimum Alternate Tax
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PIS	Portfolio Investment Scheme
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI 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 VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933
Service Tax Rules	Service Tax Rules, 1994
STT	Securities Transaction Tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999
UK	United Kingdom
U.S./USA/United States	United States of America

Term	Description
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention & Control of Pollution) Cess Act, 1977
Water Cess Rules	Water (Prevention & Control of Pollution) Cess Rules, 1978

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*", "*Significant Differences Between Indian GAAP and Ind AS*", "*Financial Statements*", "*Main Provisions of Articles of Association*" and "*Offer Procedure – General Information Document*" on pages 76, 143, 142, 238 and 207, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Red Herring Prospectus, unless otherwise specified.

Unless stated otherwise, the meanings ascribed to the terms defined under the "*Glossary and Abbreviations – Part B - General Information Document*" under "*Offer Procedure*" on page 233, shall only be in respect of such terms used in "*Part B - General Information Document*".

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from the Restated Standalone Financial Statements or the Restated Consolidated Financial Statements prepared in accordance with the Companies Act, 2013, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

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

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

Our Restated Financial Statements have been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information 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 Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. Our financial statements for periods subsequent to April 1, 2017, will be prepared and presented in accordance with Ind AS. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS may not be comparable to our historical financial statements prepared under Indian GAAP.

For details in connection with risks involving differences between Indian GAAP and IFRS and risks in relation to Ind AS, see "*Risk Factors – Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition*" on page 32 and "*Significant Differences Between Indian GAAP and Ind AS*" on page 143. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, 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 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 Condition and Results of Operations*" on pages 15, 90 and 150 respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the audited financial information of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the India. All references to "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States.

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

Exchange Rates

This 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 respective foreign currencies:

Currency	As on March 31, 2012 (₹)[1]	As on March 31, 2013 (₹)[1]	As on March 31, 2014 (₹)[1]	As on March 31, 2015 (₹)	As on March 31, 2016 (₹)	As on December 31, 2016 (₹)
1 USD	51.16	54.39	60.10	62.59	66.33	67.95[2]

(Source: https://rbi.org.in)

(1) 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

(2) The exchange rate considered is as on December 30, 2016 on account of exchange rate not being available for December 31, 2016.

Land and Units of Presentation

Our Company has presented units of land in this Red Herring Prospectus in 'acres' and 'square feet'.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus have 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 have been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us, the respective Selling Shareholders, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 15. Accordingly, investment decisions should not be based solely on such information.

Information has been included in this Red Herring Prospectus from the CRISIL Report, which has been commissioned by the Company for the purposes of confirming its understanding of the industry in connection with the Offer, for which our Company had made a payment to CRISIL Limited. For details of risks in relation to the industry report, see "*Risk Factors – Our Company has commissioned an industry report from CRISIL Research which has been used for industry related data in this Red Herring Prospectus and such data has not been independently verified by us* " on page 25.

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 73 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this 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 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 based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

- dependence of our Subsidiaries on our Company for sale of their products;
- uncertainty regarding the housing market, real estate prices, economic conditions and other factors beyond our control;
- absence of definitive agreements with a majority of our vendors for supply of our raw materials and retail products;
- any disruptions in our logistics or supply chain network and other factors affecting the distribution of our merchandise;
- inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- dependence of our success on the value, perception and product quality associated with our retail stores;
- dependence of our success on our ability to attract, develop and retain trained store representatives while also controlling our labour costs;
- exposure to payment-related risks that could increase our operating costs, expose us to delays, fraud, litigation, subject us to potential liability and potentially impact the goodwill of our stores; and
- inflation or deflation of product prices which affect our pricing, demand for our products, our sales and our profit margins.

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 15, 90 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

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

shall severally ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings made by them in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If anyone or a combination of the following risks actually occurs, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 90 and 150, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. Please see the section "Forward-Looking Statements" on page 13.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Statements.

INTERNAL RISK FACTORS

Risks Relating to our Business and our Industry

1. *There are various proceedings involving our Company and certain of our Subsidiaries, which if determined against us or them, may have an adverse effect on our business.*

There are outstanding legal proceedings involving our Company and certain Subsidiaries, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company, Subsidiaries and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The list of such outstanding legal proceedings as on the date of this Red Herring Prospectus are set out below:

Nature of cases	No. of cases	Total amount involved (in ₹ million)
Against our Company		
Tax	4	8.92
By our Company		
Civil cases	2	2.47
Criminal cases		
Cases filed for dishonour of cheques under Negotiable Instruments Act, 1881	116	40.69
By our Subsidiaries		
CRIPL		
Criminal cases		
Cases filed for dishonour of cheques under Negotiable Instruments Act, 1881	5	0.63
TVSPPL		
Criminal cases		
Case filed for dishonour of cheques under Negotiable Instruments Act, 1881	1	0.35

We cannot assure you that any of these matters will be settled in our favour or in favour of our Subsidiaries or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation. For details, see "*Outstanding Litigation and Material Developments*" on page 172.

2. *We have had instances of non-compliances in the past, including in relation to regulatory filings to be made with the RoC and the RBI under applicable law.*

We have had instances of certain non-compliances in the past, including in relation to certain regulatory filing under the Companies Act. For instance, in respect of beneficial ownership of certain Equity Shares, we had failed to file with the RoC the prescribed form, as per the Companies Act, 1956. Further, we had also failed to comply with certain provisions of the Unlisted Public Companies Preferential Allotment Rules, 2003, which mandated certain disclosures to be made in the explanatory statement to be annexed to the notices for the shareholders meeting convened for the purpose of an allotment of Equity Shares, made on a preferential basis. Our Company had filed compounding applications with relevant authorities in respect of these non-compliances, which were rejected owing to certain technical deficiencies. Subsequently, we have re-filed the compounding applications with the relevant authorities after rectifying all technical deficiencies. For details, see "*Outstanding Litigation and Material Developments - Compounding applications and orders, and orders for condonation of delay*" on page 173. There can be no assurance that the relevant authorities or the RoC will not take cognizance of our non-compliances, and impose penalties on us in this regard. Further, there have also been instances of delay in filing necessary forms with the RoC, in connection with various corporate actions undertaken by our Company. Further, for Fiscal 2016, our Company's spend on CSR activities has been less than the limits prescribed under Companies Act, 2013. The deficiency in spending the requisite amount has been disclosed by our Company, in terms of the requirement under Companies Act, 2013, in the director's report for Fiscal 2016. Going forward, our Company shall endeavour to expend the minimum amount prescribed under the Companies Act, 2013 on CSR activities. However, there is no assurance that our Company will be able to spend the amounts as prescribed under the Companies Act, 2013 in the future towards CSR activities.

Additionally, our Company had obtained an extension letter from the RBI, with respect to filing the annual performance reports for its overseas subsidiary, SNHL for Fiscals 2014 and 2015, extending the time for filing till May 2016. Our Company had filed the said reports with our authorised dealer bank for submission to the RBI on September 27, 2016. Subsequently, the authorised dealer had sought certain clarifications/documents with respect to such filed reports, which were replied to by our Company. Our Company also received email correspondence dated December 9, 2016 and December 11, 2016 from the Overseas Investment Division, Foreign Exchange Department of the RBI stating that our Company has not submitted the annual performance reports for Fiscals 2014 and 2015. While our Company has submitted the requisite information/documents to the authorised dealer, we cannot assure you that the authorised dealer may find our responses satisfactory and that it may not seek any further clarifications/documents in this regard. Further, in case the filing of the annual performance reports are acknowledged by the authorised dealer, we cannot assure you that the RBI will accept the delayed filing and it may impose a penalty on our Company for the said lapse.

Our Subsidiary, CRIPL, had filed a compounding application in relation to a delay in filing of Form FC-GPR with the RBI for allotment of its equity shares to a non-resident. Subsequently, the RBI issued an order for compounding the said non-compliance and levied a penalty on CRIPL, which was duly paid. CRIPL had also filed a condonation application for a delay in filing the particulars of creation of charge, under the Companies Act, 1956. CRIPL thereafter paid a penalty for compounding the said application, pursuant to an order issued by the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai. For details see, "*Outstanding Litigation and Material Developments - Compounding applications and orders, and orders for condonation of delay*" on page 173. Further, CRIPL is currently unable to trace the minutes of shareholders' meetings for Fiscals 2012 and 2013.

With the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances 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, in a timely manner or at all.

3. *One of our Subsidiaries, namely, VPSPL, has availed an unsecured loan that can be recalled by the lender, subject to the terms and conditions of the grant, at any time.*

VPSPL has availed an unsecured loan for the purpose of making purchases from one of our suppliers. The said loan may be recalled on demand by the lender in the event VPSPL discontinues purchases from the supplier, or if the supplier decides to stop supply to VPSPL. In case the loan is recalled on demand by the lender and VPSPL is unable to repay the outstanding amounts under the facility, it would constitute an event of default under the loan agreement. As on December 31, 2016, the total amount of unsecured loans payable on demand, outstanding for our Subsidiary, VPSPL, is ₹115.86 million. For details see "*Financial Indebtedness*" on page 170.

4. *We have certain contingent liabilities that have not been provided for in our financial statements, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.*

As of December 31, 2016, our contingent liabilities, as per Accounting Standards 29 – provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below on a consolidated basis:

Particulars	As of December 31, 2016 (₹ in millions)
Bank Guarantee	3.00
Disputed Income Tax demand	3.62
Total	**6.62**

If a significant portion of these liabilities materialize, it could have an adverse effect on our results of operations, cash flows and financial condition. For details, see "*Financial Statements – Contingent Liabilities and Commitments*" on page F-29.

5. *Acquisition of our Subsidiary, VPSPL and transfer of our manufacturing business to our Subsidiary, TVSPPL were undertaken without obtaining valuation reports.*

The acquisition of our Subsidiary, VPSPL, was undertaken through purchase of 100% of the equity shares of VPSPL, pursuant to which VPSPL became a wholly owned Subsidiary of the Company. Further, pursuant to a business transfer agreement our Company transferred the manufacturing business to our Subsidiary, TVSPPL as a going concern on a slump sale basis. For details, see "*History and Certain Corporate Matters – Acquisition Agreements*" on page 117. However, the Company did not obtain an independent valuation report for the purchase of equity shares of VPSPL and the transfer of business undertaking to TVSPPL by the Company. Accordingly, we cannot assure you that, the price paid for acquisition of the equity shares of VPSPL, or the consideration received for transfer of the business undertaking to TVSPPL, represent the fair value of the acquired equity shares or the fair value of the transferred undertaking, respectively.

6. *For the last three Financial Years certain amounts were paid/ payable by our Company to our Promoter, relatives of our Promoter and Group Entities on account of managerial remuneration, dividend payment and lease rentals. We may continue to make such payments in future, which may affect our cash flows and results of operations.*

For the last three Financial Years, the amounts paid/payable by our Company to our Promoter, relatives of our Promoter and Group Entities directly or indirectly are as follows:

(₹ in million)

	For the nine months ended December 31, 2016	For the Financial Year		
		2016	2015	2014
Our Promoter*				
Managerial remuneration	8.42	9.76	8.87	8.06
Dividend	-	20.15	13.43	13.43
Lease rental	0.35	0.30	0.30	0.30
Relatives of our Promoter				
Dividend paid to Dhananjay Mirlay Srinivas	-	0.03	0.00	-
Group Entities				
Dividend paid to Shankara Holdings	-	0.24	0.16	0.16

* *Further, our Company has paid a consideration of ₹0.10 million to our Promoter for assignment of the trademark 'SHANKARA Buildpro' to our Company, pursuant to the trademark assignment agreement dated September 22, 2016 executed between our Company and our Promoter. For details of the trademark assignment agreement, see "History and Certain Corporate Matters – Trademark assignment agreement" on page 118.*

Our Company may continue to make the aforesaid payments in future, which may affect our cash flows and results of operations. For further details see "*History and Certain Corporate Matters*", "*Our Management*", "*Our Promoter and Promoter Group*", "*Our Group Entities*" and "*Related Party Transactions*" on pages 118, 123, 135, 137 and 140, respectively.

7. *Our Subsidiaries depend significantly on our Company for sale of their products. Any inability or restriction on our Company to purchase products from them may adversely affect their results of operations and thereby have an impact on our financial condition.*

During Financial Year 2016, 78.01%, 70.69% and 53.46% of the total sales of VPSPL, TVSPPL and CRIPL, respectively, were made to the Company. For the nine months period ended December 31, 2016, 83.83%, 63.59% and 57.43% of the total sales of VPSPL, TVSPPL and CRIPL, respectively, were made to the Company. Further, for the Financial Year 2016, portion of sales of TVSPPL and VPSPL made to our Company works out to 18.98% and 12.32% respectively, when compared with the consolidated revenue from operations (net) (after elimination of intra-group sales on account of consolidation) of the group. For the nine months period ended December 31, 2016, portion of sales of TVSPPL and VPSPL

made to our Company works out to 17.96% and 14.53% respectively, when compared with the consolidated revenue from operations (net) (after elimination of intra-group sales on account of consolidation) of the group. Such sales by TVSPPL, VPSPL and CRIPL to the Company primarily include steel pipes, steel tubes, CR strips and roofing sheets. Any inability of our Company in or any restriction on our Company from, purchasing products from our Subsidiaries may adversely affect the results of operation and financial condition of our Subsidiaries, which may in turn adversely impact the consolidated results of operations and financial condition of our Company.

8. ***There has been a decline in the RoNW of our Company over the last five Financial Years. Any further decline in the RoNW of our Company may have an adverse impact on our financials and the price at which our Equity Shares are traded on the Stock Exchanges.***

During the last five Financial Years, our RoNW has declined from 17.39% in the Financial Year 2012 to 1.94% in the Financial Year 2015 based on our Restated Standalone Financial Statements and from 18.51% in the Financial Year 2012 to 8.92% in the Financial Year 2015 based on our Restated Consolidated Financial Statements. The RoNW of our Company in the Financial Year 2016 was 4.85% based on our Restated Standalone Financial Statements and 14.22% based on our Restated Consolidated Financial Statements. We cannot assure you that there will not be any further decline in our RoNW in future. Any such decline may adversely impact our financials and the price at which our Equity Shares are traded on the Stock Exchanges.

9. ***Uncertainty regarding the housing market, real estate prices, economic conditions and other factors beyond our control could adversely affect demand for our products and services, our costs of doing business and our financial performance.***

Our financial performance depends significantly on the stability of the housing, residential construction and home improvement markets, as well as general economic conditions, including changes in gross domestic product. Adverse conditions in or uncertainty about these markets, or the economy could adversely impact our customers' confidence or financial condition, causing them to determine not to purchase home improvement products and services or delay purchasing or payment for those products and services. Other factors beyond our control, including the availability of financing, real estate prices, the state of the credit markets, including mortgages, home equity loans and consumer credit and other conditions beyond our control, could further adversely affect demand for our products and services, our costs of doing business and our financial performance.

10. ***We do not have definitive agreements with a majority of our vendors for supply of our raw materials and retail products which may adversely affect our business and results of operations.***

Our Company has not executed long term supply contracts with a majority of our suppliers and procures the raw materials and retail products on the basis of purchase orders. As of December 31, 2016, we have engaged with over 225 vendors and suppliers for the supply of raw materials and third party retail products such as cement, tiles, sanitary ware and kitchen sinks. In the absence of such definitive agreements, it may be difficult for us to exercise our rights or to enforce any obligations against such suppliers. If the existing vendors, temporarily or permanently, are unable to supply the required products as per our requirements or at all, it may adversely affect our business and results of operations.

11. ***Any disruptions in our logistics or supply chain network and other factors affecting the distribution of our merchandise could adversely impact our operations, business and financial condition.***

Our supply chain and logistics network is focused around our 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL). Our warehouses act as storage facilities for onward delivery of our merchandise to all our stores. Any material disruption at these warehouses for any reason may damage our products stored at such warehouses and adversely affect our supply chain network and logistics operations, thereby affecting our results of operations.

We use our own fleet of trucks for the delivery of products from our processing units to certain of our stores. Further, we also engage third party transport service providers to deliver our products to our stores. However, we have not entered into any definitive agreements with such third party transport service providers and engage them as and when the need arises. Though, in the past, our business has not experienced any disruptions, any such disruption of our distribution and transport operations may have an adverse effect on the deliveries from our warehouses to our stores.

Any disruption in our logistics or supply chain network could adversely affect our ability to deliver inventory in a timely manner, which could impair our ability to meet customer demand for products and result in lost sales, increased supply chain costs or damage to our reputation.

12. ***We may not be able to identify or effectively respond to consumer needs, expectations or trends in a timely manner, which could adversely affect our relationship with our customers, our reputation, the demand for our products and services, our market share and our prospects.***

The success of our business depends in part on our ability to anticipate, identify and respond promptly to evolving trends in demographics and consumer preferences, expectations and needs, while also managing appropriate inventory levels and maintaining an excellent customer experience. The home improvement retailing environment is rapidly evolving, and aligning our business concept to respond to our customers' changing purchasing habits is critical to our future success. Our success is also dependent on our ability to identify and respond to the economic, social, and other trends that affect demographic and consumer preferences in a variety of our product categories. As we continue to grow our retail business by expanding our products, brand offerings and our geographic reach, maintaining quality and consistency may be more difficult and we cannot assure you that our customers' confidence in our retail brands will not diminish. Failure or any delay on our part to identify such trends, to align our business concept successfully and maintain quality could negatively affect our brand image, our relationship with our customers, the demand for home improvement products we sell, the rate of growth of our business, our market share and our prospects.

13. ***Our success depends on the value, perception and product quality associated with our retail stores and any negative publicity of our products, our retail stores or our processing facilities may adversely impact our brand equity, sales and results of operations.***

We offer a wide range of products at our retail stores, under our own and third party brands. While we seek to ensure that our retail stores are perceived to be synonymous with quality home building products and a unique customer experience in the home building retail segment, our success depends on our ability to maintain and enhance the value of the product brands that our stores offer and our customer's connection to the brands.

Currently, customers are increasingly using social media platforms to provide feedback and information about products and store experiences, in a manner that can be quickly and broadly disseminated. Our brands could be damaged by any negative publicity on social media platforms or by claims or perceptions about the quality or safety of the products sold at our stores, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business, or suppliers, can significantly reduce our brand value and consumer trust.

Our marketing initiatives are directed towards various customers in the construction industry, including individual home owners, professional customers and small and medium enterprises, which are undertaken through our internal marketing teams. For details, see '*Our Business - Marketing*' on page 98. If our marketing strategy leads us to adopt unsuccessful programs or are unsuccessful in attracting our target customers, we may only incur marketing expenses without availing the benefit of higher revenues.

Our business is dependent on the trust that our customers have in our brand and products we offer. We primarily procure goods from third parties. In the event that goods procured by us from external vendors or third party manufacturers and sold to our customers suffer in quality or after sales service provided by them to us or directly to the customers is unsatisfactory, our brand image and sales could be negatively impacted. Similarly, any failure by us in maintaining the quality of the products manufactured by our in-house processing facilities may adversely impact our brands and sales. Any such damage or negative publicity may adversely affect our business and may lead to loss of reputation and revenue. Additionally the sale of third party products at our retail stores may fall, in case of the failure of such third party brands in successfully implementing their marketing strategies, which may adversely affect our results of operations.

14. ***Our success depends upon our ability to attract, develop and retain trained store representatives while also controlling our labour costs.***

Our customers expect a high level of customer service and product knowledge from our store managers and our store representatives. We also offer various customization services for our steel based products and packaging and delivery services, which are undertaken at the store level by our workers who are on the rolls of the Company. For details, see '*Our Business – Our Operations – Retail Operations*' on page 94. To meet the needs and expectations of our customers, we must attract, train and retain a large number of qualified store managers, store representatives and contract workers/labourers, while at the same time controlling labour costs. While we undertake in-house training for our store managers and store representatives, we cannot assure you that we will be able to retain the right personnel.

In light of our strategy of opening new *Shankara BuildPro* stores, we will need to recruit, train and retain a greater number of store representatives and trained manpower at various levels. Our ability to control labour costs is subject to numerous external factors, including prevailing wage rates, as well as the impact of legislation or regulations governing labour relations and minimum wages. An inability to provide wages and/or benefits that are competitive within the markets in which we operate could adversely affect our ability to retain and attract qualified personnel, which in turn may affect our business, prospects and financial condition.

15. ***We are subject to payment-related risks that could increase our operating costs, expose us to delays, fraud, litigation, subject us to potential liability and potentially impact the goodwill of our stores. Further, losses on account of shrinkage may have a negative impact on our profitability.***

We accept payments using a variety of methods including credit card, debit card, credit accounts, physical bank cheques, direct debit from a customer's bank account and cash payments and we may offer other different payment options over time. These payment options subject us to potential fraud by criminal elements seeking to discover and take advantage of security vulnerabilities that may exist in these payment modes. While we utilize a centralised computer system, third parties may have the technology or know-how to break into the security system containing customer information transmitted in connection with our sales where payments are accepted through the aforesaid methods. Further, our technology vendors may be unable to prevent others from obtaining improper access to this information. If our security systems are compromised or our employees or vendors fail to comply with laws that govern security of payments and settlement systems, it could result in liabilities, damage to our reputation and loss of customer confidence, which could adversely affect our operations and financial condition.

Some of the payments at our retail stores are in the form of cash, which is deposited by our store personnel in the Company's bank account at the end of each day. There may be robbery or theft of cash collected at the store, during transit or at the time of depositing such cash in the Company's bank account by the store personnel. There may also be instances of thefts of the cash or inventory by our store personnel. While we have obtained insurance policies to cover such losses, we cannot assure you that the insurance policies will be sufficient to cover our losses. We also accept payments by our customers through physical bank cheque. There have been multiple instances in the past where bank cheque issued by our customer is returned unpaid due to insufficiency of funds. We are currently involved in 122 criminal litigations filed by us for cases where such bank cheques have been returned unpaid, involving an aggregate amount of ₹41.67 million. For details see "*Outstanding Litigation and Material Developments*" on page 172. In the event these cases are decided against us or we are unable to recover the amount in question, our financial position may be adversely affected. There have also been instances of delayed payments by our customers and purchase on credit affecting our results of operations. Such delays in future may affect our cash flows and results of operations.

Further, the retail industry is vulnerable to the problem of shrinkage. Shrinkage at our stores and/or our warehouses and hubs may occur through a combination of shoplifting by customer, pilferage by employee, damage, obsolescence of the inventory and unnoticed errors in purchase documentation resulting in subsequent adjustments. An increase in shrinkage levels at our existing and future stores or our supply chain network may force us to hire additional supply chain management personnel or additional security staff or install additional security and surveillance equipments, which will increase our operational costs and may have an adverse impact on our profitability.

16. ***Our Subsidiaries are engaged in lines of business that are similar to our Company. In the event the Company divests its shareholding in any of its Subsidiaries, a conflict of interest may arise in the operations of the Company and such Subsidiary.***

Our Subsidiaries are engaged in lines of business that are similar to our Company, and our Company undertakes its processing operations through these Subsidiaries. For details of the shareholding of our Company in the Subsidiaries, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 113. In the event that our Company undertakes a divestment of its shareholding in any of the Subsidiaries, a conflict in operations of our Subsidiaries and our Company may arise to the extent of sales of building products, including, but not limited to, steel pipes, steel tubes, CR strips and roofing sheets to end customers, which may adversely impact the results of operations and cash flows of our Company.

17. ***The inflation or deflation of product prices could affect our pricing, demand for our products, our sales and our profit margins.***

Prices of certain products among our product portfolio, including steel, are volatile and are subject to fluctuations arising from changes in domestic and international supply and demand, labour costs, competition, market speculation, government regulations and periodic delays in delivery. Rapid and significant changes in such product prices may affect the cost of purchase of these products. We may be unable to pass the entire impact of the rise in the prices of raw materials to our customers, which may result in lower profit margins for our business. Further, any increase in the selling price of our products may adversely impact the demand for our products, our sales and our profit margins.

18. ***We are dependent on third-party suppliers and sub-contractors and we may be adversely affected if our suppliers fail to provide quality products or services in a timely manner. Failure to identify and develop relationships with a sufficient number of qualified and reputed suppliers, or maintain our existing relations with them may adversely affect our financial condition, results of operations and cash flows.***

Being in the retail sector, we source a majority of the products sold at our retail outlets from multiple third-party suppliers, distributors and manufacturers. We also source various input products used at our processing facilities from third-party

vendors. In addition, we also outsource various activities, such as supply and store maintenance services, to sub-contractors. The dependency on third-party suppliers and sub-contractors exposes us to supplier bottlenecks, quality problems and other potential liabilities that may arise in cases where such third-party suppliers and sub-contractors fail to meet their commitments. To the extent that we are unable to rely on these third-party suppliers and sub-contractors, either due to an adverse change in relationships with them, increases in the cost of their goods and services that we are unable to pass on to our customers, or their ability to deliver the requisite quantity and quality of products in a timely manner, our business, financial condition and results of operations could be materially adversely affected. Further, if we fail to identify and develop relationships with a sufficient number of qualified and reputed suppliers, or maintain our relationship with our existing suppliers, or if our suppliers experience financial difficulties or other challenges, our ability to access products that meet our high standards of quality could be adversely affected, which would negatively impact our financial condition, results of operations and cash flows.

19. *We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or Key Management Personnel could weaken our management team.*

Our success largely depends on the skills, experience and efforts of our Key Management Personnel and on the efforts, ability and experience of key members of our management staff. Our Key Management Personnel have extensive experience in retail sales, enterprise sales, channel sales and steel processing industries that are critical to the operation of our business. For further details see "*Our Management – Key Management Personnel*" on page 132.

Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel to replace or succeed our Key Management Personnel or other key employees, should the need arise. The loss of services of one or more members of our Key Management Personnel or any of our other management staff could weaken our management expertise significantly and our ability to undertake our business operations efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

20. *We may not be able to prevent unauthorised use of trademarks obtained/ applied for by third parties, which may lead to the dilution of our goodwill.*

While we have obtained trademark registrations for certain of our brands, including "Shankara Infra" (under class 2) and "Shankara Loha Steel Solutions" (under class 6) and have made applications for certain brands, including "Shankara Building Products Ltd.", "Shankara BuildPro", "Prince Galva" and "Taurus Value Steels & Pipes" under the Trade Marks Act, 1999 ("**Trade Marks Act**"), any unauthorized use of our trademarks, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

With respect to applications made for registration of trademarks, some of our trademark applications are objected by other parties. For further details in relation to the status of our trademark applications, see "*Government and Other Approvals – Intellectual Property Rights*" on page 177. Further, our Promoter assigned the trademark "SHANKARA Buildpro", including assignment of the trademark application in respect of the said trademark to our Company pursuant to a trademark assignment agreement for a lump sum consideration of ₹0.10 million. For details, see *"History and Certain Corporate Matters – Trademark assignment agreement"* on page 118.We cannot assure you that our applications will be accepted and that the trademarks will be registered. Pending the registration of these trademarks we may have a lesser recourse to initiate legal proceedings to protect our brands. Further, our applications for the registration of certain trademarks may be opposed by third parties and we may have to incur expenses in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to avail the legal protection or prevent unauthorised use of such trademarks by third parties, which may adversely affect our goodwill and business.

For further details on the trademarks, registered or pending registration, please refer to the chapter titled "*Government and Other Approvals – Intellectual Property Rights*" on page 177.

21. *Our inability or failure to maintain a balance between optimum inventory levels and our product offering at our stores may adversely affect our business, results of operations and financial condition.*

We strive to keep optimum inventory at our retail stores and our warehouses to control our costs and working capital requirements. To maintain an optimal inventory, we monitor our inventory levels based on our projections of demand as well as on a real-time basis. Our hub and spoke model of distribution also enables us to fulfill large orders from our warehouses directly, and replenish our stocks with minimal lead time. However, unavailability of products, due to high demand or inaccurate forecast, may result in loss of sales and adversely affect our customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase inventory costs, negatively impact cash flow, reduce the quality of inventory, shrinkages and ultimately lead to reduction in margins. Further, some of our

products can become obsolete in terms of designs, and any inventory that we hold with respect to old designs may not get sold or replaced by our suppliers. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

22. *Our inability to manage our growth could disrupt our business and have an adverse effect on our profitability.*

We have experienced reasonable growth in recent periods. Our net revenue from operations has increased at a CAGR of 9.55% from Fiscal 2012 to Fiscal 2016. Further, for the nine months period ended December 31, 2016 and the Financial Years ending March 31, 2016, March 31, 2015 and March 31, 2014, our restated profit on a consolidated basis was ₹415.46 million,₹413.29 million, ₹225.77 million and ₹287.08 million, respectively. Our growth strategies such as tracking customer preferences and identifying new locations for retail operations are subject to and involve risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the budgeted cost and timelines. Further, implementing our strategies and managing growth of our business will impose a significant demand on our management and other resources. Further, on account of changes in market conditions, industry dynamics, changes in regulatory policies or any other relevant factors, our growth strategy and plans may undergo substantial changes and may even include limiting or foregoing growth opportunities if the situation so demands.

While we have in part successfully acquired businesses and integrated them into our operations, we may be unable to achieve the same with respect to any future acquisitions. Further, an increase in the number of stores will also increase our fixed operating costs, and there can be no assurance that we will able to offset the increased cost with the incremental revenue. Any inability on our part to manage our growth or implement our strategies effectively could have a material adverse effect on our business, results of operations and financial condition.

23. *We are subject to risks associated with leasing space for operation of our retail stores and we may not be able to operate our retail stores successfully.*

We lease most of the property occupied by our retail outlets. As of December 31, 2016, 86 of our retail stores were operated from leasehold premises. Payments under the leases accounted for a significant portion of our operating expenses, and we expect most of our retail stores to be opened in the future will be on leasehold property. We may be adversely impacted by a rise in lease rentals in areas where we plan to open any of our new stores.

Further, our existing lease agreements for our retail stores expire from time to time, and our Company undertakes periodic renewal of such agreements. Typically, our lease agreements are for a term of three years and include a clause for an annual escalation in lease rentals. Any inability of our Company in renewing or renegotiating the existing lease agreements, on favourable terms or at all may result in shifting of retail stores which may lead to an escalation in operating costs, loss of customers and affect the results of operations and cash flows.

We cannot assure you that we will be able to procure leased property for our retail stores at desirable locations at attractive rental rates, or on favourable terms or at all. Our inability to execute lease agreements for our stores or to renew existing lease agreements may have a material adverse impact on our business and results of operations. We may also not be able to identify suitable locations for our retail stores, which is a key factor in attracting customers to our retail stores. Any such failure may result in a fall in sales and have an adverse impact on our business operations, results of operations and cash flows.

24. *We have recently introduced new products under our "Shankara BuildPro" stores and may not be able to profitably market and sell the same.*

We offer a variety of products at our retail outlets. We have added 10 products in Fiscal 2016 and another 21 products till December 31, 2016. We may not have experience in retailing such new products and may be unable to successfully analyze and predict customer preferences to profitably market and sell such products. Any failure in the same may adversely impact our operations, results of operations, cash flows and profitability.

Further, in line with the growth strategy to enhance our brand equity and marketability, we have recently rebranded our retail stores which operated under the tradename *Steelworld* through which we primarily sold steel based products. These *Steelworld* retail stores are now operated under the tradename *Shankara BuildPro*. There is no assurance that this rebranding would achieve the desired benefits and that the rebranding would not have any negative impact on our relationship with existing customers who are acquainted with our *Steelworld* tradename.

25. *Our retail business is subject to seasonal volatility, which may affect our results of operations and financial condition.*

Our business and the home improvement retail industry in general, is subject to seasonality. Generally, we witness an increase in sales in the second half of the fiscal year and sales generally decline during the monsoon season. Accordingly,

our revenue in first two quarters may not accurately reflect the revenue trend for the whole Fiscal. The seasonality of our business operations and the home improvement retail industry in general, may cause fluctuations in our results of operations and financial condition.

26. *Some of our lease agreements may have certain irregularities.*

Lease deeds for immovable property are required to be stamped as per state specific legislations. If an instrument required to be stamped, is not duly or adequately stamped, the same is not admissible as evidence as per Section 91 of the Indian Evidence Act, 1872 and is also capable of being impounded by a public officer. Further, a penalty of up to 10 times the stamp duty payable may be imposed by the government official collecting stamp duty.

Further, a lease deed exceeding a term of 11 months is also required to be registered as per Section 17 of the Registration Act, 1908. In terms of Section 49 of the Registration Act, 1908, where a document required to be registered is not registered, the same cannot be produced for enforcement before a court of law till the applicable stamp duty, registration charges, and consequent penalties are fully paid on the same.

Some of our lease agreements have not been registered or are not adequately stamped. If any of the lessors of these premises revoke the arrangements under which we occupy the premises or impose terms and conditions that are unfavorable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay increased rent, which could have an adverse effect on our business and financial results.

27. *Our business depends on the performance of its information technology systems and any interruption or abnormality in the same may have an adverse impact on our business operations and profitability.*

We have an ERP system which integrates and collates data of purchase, sales, reporting, accounting, stocks, etc., from all the 103 retail stores across 9 states and 1 union territory and 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL), as on December 31, 2016. We utilise our information technology systems to monitor all aspects of our business and rely to a significant extent on such systems for the efficient operation of our business, including, monitoring of inventory levels, allocation of products to our stores and budget planning. Our information technology systems may not always operate without interruption and may encounter abnormality or become obsolete, which may affect our ability to maintain connectivity with our stores and warehouses. We cannot assure you that we will be successful in developing, installing, running and migrating to new software system or systems as required for our overall operations. Even if we are successful in this regard, significant capital expenditures may be required, and we may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability. The ERP system deployed by us has been purchased. The regular maintenance and upgrade of the ERP system is carried out by the vendor, at costs to be incurred by the Company. Any failure in this ERP system may necessitate the Company to switch to a different system, implementation of which may result in significant costs to the Company.

Also, our Company cannot guarantee that the level of security it presently maintains is adequate or that its systems can withstand intrusions from or prevent improper usage by third parties. Our Company's failure to continue its operations without interruption due to any of these reasons may adversely affect our Company's results of operations.

28. *We have not identified the location of the retail stores proposed to be opened by our Company and have not executed any definitive agreements for the same. We cannot assure you that the expansion of our retail store footprint will be undertaken as planned.*

While we intend to expand our *Shankara BuildPro* stores across India, we have not identified the exact locations of a majority of such stores. We have also not executed any definitive agreements for leasing the properties where we intend to open new retail stores. Accordingly, we cannot assure you that we will be able to expand our *Shankara BuildPro* stores and execute relevant agreements for the said purpose, in a timely manner and on favourable terms, or at all, thereby resulting in a delay or failure to undertake the proposed expansion, which would in turn affect our growth and results of operations.

29. *One of our Group Entities has incurred losses in the last three Fiscals.*

One of our Group Entities, Shankara Meta-Steels had incurred a loss of ₹1.05 million in Fiscals 2014. For details see "*Our Group Entities*" on page 137.

30. *Due to the geographic concentration of our sales in the Western and Southern regions of India, our results of operations and financial condition are subject to fluctuations in regional economic conditions.*

As of December 31, 2016, majority of our retail outlets were located across Southern and Western India, and out of our total outlets, 43 stores are situated in Karnataka. See "*Our Business – Our Operations*" on page 94. Our *Shankara BuildPro* outlets are concentrated in Karnataka, Telangana, Kerala, Andhra Pradesh, Tamil Nadu and Goa. Any event negatively

affecting these states, including but not limited to economic downturn, natural disasters or political unrest, could have a material adverse effect on our business and results of operations.

31. *Our business is operating under various laws which require us to obtain approvals from the concerned statutory/regulatory authorities in the ordinary course of business, and if we are unable to obtain these approvals and the renewals, our business could be adversely affected.*

Our business is governed by various laws and regulations for carrying out our business activities, across various states of India and is therefore subject to both central and state legislations. We require a number of approvals, licenses, registrations and permits for operating our retail outlets, warehouses and processing facilities. Additionally, we may need to apply for renewal of approvals periodically in the ordinary course of business and we are in the process of obtaining certain approvals for our operations. These approvals, licenses, registrations and permits include those required to be obtained under legislation governing shops and establishments, trade licenses, approval of the concerned pollution control boards, legal metrology, factories license and tax and labour registrations. For more information, see "*Government and Other Approvals*" on page 176.

If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, we may not be able to undertake our business activities and expand our business operations, as planned, or at all, which could affect our business and results of operations. Conducting our business operations without holding the relevant approval, license, registration or permit may subject us to penalties. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may be onerous and may require us to incur substantial expenditure. Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial and other conditions, profitability and results of operations. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may adversely affect our operations.

32. *Our Company proposes to utilize a part of the Net Proceeds to repay/ pre-pay certain long term and short term borrowings of our Company, and accordingly the utilization of the Net Proceeds will not result in creation of tangible assets.*

Our Company is proposing to utilize a part of the Net Proceeds for the repayment or pre-payment of loans of our Company. For details see, "*Objects of the Offer*" on page 69. While such repayment/ pre-payment will enable our Company to partly retire our outstanding borrowings, the Net Proceeds will not be utilized for the creation of any tangible assets for the operations of the Company.

33. *The proceeds from Offer for Sale will not be available to us.*

This Offer comprises of a Fresh Issue of Equity Shares by our Company and an Offer for Sale of Equity Shares by the Selling Shareholders. All the proceeds from the Offer for Sale will be remitted to the Selling Shareholders in proportion to the Equity Shares offered by them in the Offer for Sale, and such proceeds will not be available to our Company.

34. *Our funding requirements and the proposed deployment of Net Proceeds are not appraised or subject to monitoring by any independent agency*

We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 69. Our funding requirements are based on management estimates and our current business plans. The deployment of the Net Proceeds will be at the discretion of our Board and shall not be subject to monitoring by an independent agency. However, the deployment of the Net Proceeds will be monitored by our Board or a committee formed thereunder. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, inability to identify suitable location for the retail stores at favourable terms and other financial and operational factors.

Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Offer in a timely or an efficient manner, it may affect our business and results of operations.

35. *We operate in a competitive market and any increase in competition may adversely affect our business and financial condition.*

We face competition from existing retailers, both organized and unorganised, including potential entrants to the industry that may adversely affect our competitive position and our profitability. We expect competition could increase with new

entrants coming into the industry and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources and hence have the ability to compete more effectively. Further, some of our competitors may also approach the market using new business models, such as e-commerce based retailing, which may be preferred by certain or all of our customers. Also, introduction of new improved products or brand perception and our inability to match our offerings with such improved products change in may in turn affect the perception and brand equity of our outlets. As a result of such competition, we may have to price our products at levels that reduce our margins, increase our capital expenditure in order to differentiate ourselves from other retailers and increase our advertising and distribution expenditures in order to compete with such competitors, which may materially and adversely affect our business, results of operations and financial condition. For details on our competitors, see "*Our Business - Competition*" on page 103.

Further, we face competition from unorganized home development and building product vendors who primarily comprise small and medium scale retail chains or standalone stores, who may be able to offer various home building products at cheaper prices. The willingness of Indian consumers to patronize unorganized home development and building product vendors in place of patronizing our stores could have an adverse impact on our business, cash flows, operational results, financial condition and prospects.

36. *Our Company has commissioned an industry report from CRISIL Research which has been used for industry related data in this Red Herring Prospectus and such data has not been independently verified by us.*

We have commissioned an industry report from CRISIL Research titled "Assessment of Housing and Building Material Industry in India, September 2016" dated September 26, 2016 read alongwith addendum dated February 3, 2017, which has been used for industry related data that has been disclosed in this Red Herring Prospectus, for which our Company had made a payment to CRISIL Limited. These reports use certain methodologies for market sizing and forecasting. We have not independently verified such data. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context.

37. *Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*

Our Company's operations at our retail stores, warehouses and processing facilities are subject to inherent risks such as fire, strikes, loss-in-transit of our products, cash in transit, accidents and natural disasters. In addition, many of these operating and other risks may cause personal injury, damage to, or destruction of our properties and may result in suspension of operations and imposition of civil and/or criminal penalties. Further, our Company maintains a director & officers' liability insurance for its key personnel. Whilst we believe that we maintain adequate insurance coverage amounts for our business and operations, our insurance policies do not cover all risks and are subject to exclusions and deductibles. If any or all of our stores and warehouses and offices are damaged in whole or in part, our operations, totally or partially, may get interrupted for a temporary period. There can be no assurance that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. Our inability to procure and/or maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

For more details on the insurance policies availed by us, please refer to the chapter titled "*Our Business - Insurance*" on page 103.

38. *We may in the future face potential liabilities from lawsuits or claims from third parties, should they perceive any deficiency in our products.*

Our Company believes in providing quality products and due care is taken to mitigate the associated risks which may happen due to factors beyond our control. We may however, be subject to legal proceedings and claims brought against us by our customers on account of sale of any defective or misbranded product. Further, we could also face liabilities should our customers face any loss or damage due to any unforeseen incident such as fire, accident, etc. in our stores, which could cause financial and other damage to our customers. This may result in lawsuits and/or claims against our Company, which may materially and adversely affect the results of our operations and may also result in loss of business and reputation.

39. *Our lenders have substantial rights to determine how we conduct our business which could put us at a competitive disadvantage.*

As of December 31, 2016, we had a consolidated debt of ₹2,797 million. We have entered into agreements for short-term and long-term loans and other borrowings. Some of these agreements contain requirements to maintain certain security margins, financial ratios and contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of assets, paying dividends and making investments over certain thresholds. For further details, see section "*Financial Indebtedness - Covenants*" on page 170. Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, *inter alia*, cancel the outstanding facilities available for drawdown, declare the loan to be immediately due and payable with accrued interest and enforce

rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations.

Our business requires significant amount of working capital. Major portion of our working capital is utilized towards inventory and debtors. Our total current liabilities as on March 31, 2015, March 31, 2016 and December 31, 2016 were ₹4,550.49 million, ₹4,894.32 million and ₹5,104.17 million respectively, which comprised of working capital facilities from banks as on March 31, 2015, March 31, 2016 and December 31, 2016 of ₹2,788.40 million, ₹1,933.12 million and ₹2,517 million, respectively, which was 61.28%, 39.50% and 49.31%, respectively of the total current liabilities. Our total current assets as on March 31, 2015, March 31, 2016 and December 31, 2016 were ₹5,057.77 million, ₹5,508.39 million and ₹5,958.38 million, respectively, which comprised of inventory as on March 31, 2015, March 31, 2016 and December 31, 2016 of ₹2,320.68 million, ₹2,558.77 million and ₹2,901.99 million, respectively, which was 45.88%, 46.45% and 48.70%, respectively of the total current assets as on March 31, 2015, March 31, 2016 and December 31, 2016, respectively. Our total debt to equity ratio as on March 31, 2016 and December 31, 2016, based on the Restated Consolidated Financial Statements, was 0.77 and 0.84, respectively. The retail industry is working capital intensive for operation of stores and maintenance of inventory levels. We intend to continue growing by setting up additional stores. All these factors may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sources of fund, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and results of our operations. For further details regarding working capital requirement, see "*Financial Indebtedness*" on page 170.

Our level of indebtedness and debt service obligations could also have important consequences, including the following:

- A default under one financing document may also trigger cross-defaults under other financing documents. An event of default, if not cured or waived, could result in the acceleration of all or part of our financial indebtedness or other obligations.
- There may be restrictions on our ability to declare dividends.
- We may be more vulnerable in the event of downturns in our businesses and to general adverse economic and industry conditions.
- If we have difficulty obtaining additional financing at favorable interest rates we may face difficulties in meeting our requirements for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.
- Any borrowings we may make at variable interest rates leaves us vulnerable to increases in interest rates generally. Interest rate fluctuations can be highly unpredictable, and can be further affected by a number of factors, including global economic trends and adverse events in the global financial markets. Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and adversely affect our results of operations.

We may be required to dedicate a significant portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to our peers who have relatively less debt

40. ***Our Promoter has provided personal guarantees for financing facilities availed by our Company and our Subsidiaries and our Company has provided corporate guarantees for facilities availed by our Subsidiaries, and may in the future provide additional guarantees. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter or corporate guarantees provided by our Company.***

Our Promoter has provided personal guarantees to secure our existing borrowings and the borrowings of our Subsidiaries, and our Company has provided corporate guarantees and collateral security for the existing borrowings of our Subsidiaries, and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the guarantees provided by our Promoter or our Company may be invoked and/or the collateral may also be enforced, which could negatively impact the reputation and networth of the Promoter or our Company. In addition, our Promoter may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows.

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41. *Our Company will continue to be controlled by our Promoter after the Offer.*

As of the date of this RHP, our Promoter owns 60.98% of the outstanding Equity Shares. After the completion of the Offer, our Promoter will hold a significant portion of our post Offer paid up Equity Share capital, which will allow him, to exercise significant control over the outcome of the matters submitted to our shareholders for approval. Our Promoter will have the ability to exercise control over the Company and certain matters which include election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers, consolidations, asset acquisitions and sales and business combinations. The extent of his shareholding in the Company may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. It may deprive our other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. The interest of our Promoter as our controlling shareholder could also conflict with our interest or the interests of our other shareholders. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour, and he may take actions that are not in our best interest or that of our other shareholders. These actions may be taken even if they are opposed by our other shareholders, including those who have purchased Equity Shares in this Offer. For further information, see "*Our Promoter and Promoter Group*" on page 135.

42. *Our Company 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 in four of the preceding five Fiscals. For Fiscal 2012, we had a significant increase in trade receivables and inventory equivalent of ₹993.03 million (including trade receivables – non current) compared to Fiscal 2011. Further, we have witnessed net negative cash flows in four of the five preceding Fiscals as set forth below:

(₹ in millions)

Particulars	For the Financial Year					For the nine months period December 31, 2016
	2012	2013	2014	2015	2016	
Net cash generated from/(used in) operating activities	(440.00)	94.91	641.58	796.08	1,594.82	86.58
Net cash generated from/(used in) investing activities	(506.14)	(328.10)	(395.66)	(395.38)	(378.62)	(299.64)
Net cash generated from/(used in) financing activities	937.09	227.66	(256.25)	(403.32)	(1,215.81)	211.41
Net increase in cash and cash equivalents	(9.05)	(5.54)	(10.33)	(2.62)	0.39	(1.65)

Cash flows 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. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages F-7 and 163, respectively.

43. *Our Promoter, certain of our Directors and certain Key Management Personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.*

Our Promoter, certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Promoter and such Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see "*Capital Structure*", "*Our Management*" and "*Our Promoter and Promoter Group*" and on pages 62, 124 and 135, respectively.

Further, our Promoter has executed a lease agreement dated August 1, 2016 pursuant to which he has leased to the Company premises located at Kanakapura Road, Bengaluru for the period August 1, 2016 to July 31, 2021 at a lease rental of ₹50,000 per month, for record keeping purposes of the Company. This transaction may involve a conflict of interest which may be detrimental to our Company. Further, we cannot assure you that the said transaction could not have been made on more favourable terms with an unrelated party. For further details, see "*History and other Corporate Matters*" and "*Our Promoter and Promoter Group*" on pages 118 and 135, respectively.

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

In the ordinary course of our business, we enter into and will continue to enter into transactions with related parties. While we believe that 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 business, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. For further details regarding our related party transactions, see the section "*Financial Statements - Statement of Related Party Transactions*" as disclosed under Annexure XIII (Consolidated) and Annexure XIII (Standalone) at pages F-34 and F-69, respectively.

45. ***We may be subject to labour unrest, slowdowns, increased wage costs, and shut-downs.***

India has stringent labour legislations that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislations that imposes certain financial obligations on employers upon retrenchment. Except VPSPL which has an internal employees' union, our employees are not unionized currently. However, there is no assurance that our employees will not seek unionization in the future. In the event that employees at our retail stores or processing facilities seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business.

Further, our business operations, specifically our processing facilities are subject to certain operating risks, such as breakdown or failure of equipment, power supply or processes, reduction or stoppage of water supply, performance below expected levels of efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. In the event that we are forced to shut down our processing facility or our retail stores for a significant period of time, it would have a material adverse effect on our earnings, our other results of operations and our financial condition as a whole.

Any strikes or lock-outs, work stoppages, slowdowns, shut downs, supply interruptions or costs or other factors beyond our control, may disrupt our operations and could negatively impact our financial performance or financial condition.

46. ***Accidents could result in the slowdown or stoppage of our business and could also cause us to incur liabilities arising from human fatalities and damage to property.***

Our operations at our retail stores and processing facilities are subject to inherent hazards, such as risks related to work accidents, fire or explosion, including hazards that may cause injury and loss of life or loss or damage to property and the environment. Such incidents may result in imposition of civil and/or criminal penalties on us irrespective of whether the incidents were caused by our negligence or any fault on our part. In addition, such events could affect our business, reputation, financial condition or results of operations.

47. ***Our Subsidiaries may not pay dividends on shares that we hold in them or may not contribute adequate revenue on a consolidated basis, year on year. Consequently, our Company may not receive any return on investments in our Subsidiaries.***

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their respective financing arrangements. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future. Further, our Subsidiaries may not contribute adequate revenue on a consolidated basis, year on year, owing to various internal and external factors, which may consequently affect our results of operations and financial condition.

48. ***We may not pay dividends on our Equity Shares. Consequently, you may not receive any return on investment unless you sell your Equity Shares for a price greater than the price you purchased the Equity Shares at.***

We may not pay dividends on our Equity Shares in the future. Our ability to pay dividends in the future, and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Directors and Shareholders. 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. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

EXTERNAL RISK FACTORS

49. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. Please see the section *"Regulations and Policies"* on page 105.

The regulatory and policy environment in which we operate is evolving and subject to change. For instance, a recent notification issued by the Government of India withdrawing the legal tender status of currency notes of ₹500 and ₹1,000, may have an adverse effect on certain sectors of the Indian economy. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects:

- The Government of India has recently approved a comprehensive national GST regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. The legislative bill has been passed by both houses of Parliament, and expected to be introduced from April 1, 2017. However, the implementation of this new structure may be affected by, *inter alia*, 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.

- The General Anti Avoidance Rules ("**GAAR**") have recently been notified by way of an amendment to the Income Tax Act, 1961, and are proposed to come into effect from April 1, 2017. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, 1961, certain exemptions have been notified, *viz.*, (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹300.00 lakhs, (ii) where Foreign Institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

50. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**") regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11,

2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

51. ***Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and trading does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price and liquidity for the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- volatility in the Indian and other global securities markets;
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- adverse media reports about us, our shareholders or Group Entities;
- future sales of our Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- perceptions about our future performance or the performance of the retail industry generally;
- significant developments in the regulation of the retail and steel processing industry in our key locations;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

52. ***You may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian stock exchange.***

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorising the issuing of the Equity Shares. There could be failure or delays in listing the Equity Shares on the Stock Exchanges.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading. Investors' "demat" accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is finalized with the Designated Stock Exchange. Thereafter, upon receipt of listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within six Working Days from Bid/ Offer Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict

your ability to dispose of the Equity Shares.

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

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by Fairwinds (whose post-Offer shareholding is exempt from statutory lock-in) or our Promoter or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoter currently holds an aggregate of 60.98% of our outstanding Equity Shares. After the completion of the Offer, our Promoter will continue to hold a significant portion of our outstanding Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

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

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

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

55. ***Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business, results of operations, financial condition and prospects.***

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

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

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

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition and results of

operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

57. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI Regulations contained in this Red Herring Prospectus.*

As stated in the reports of the Auditor included in this Red Herring Prospectus on page F-1 and F-41, the financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

58. *Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.*

Our financial statements, including the restated financial information included in this Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the requirement of SEBI ICDR Regulations. The Ministry of Corporate Affairs, GoI has, pursuant to a notification dated February 16, 2015, set out the Ind AS and the timelines for the implementation of Ind AS. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from April 1, 2017. The Ind AS has been prepared on the basis of IFRS, and are different in many aspects from Indian GAAP under which our financial statements are currently prepared and presented. For instance, accounting policies related to determination of control for consolidation, accounting of acquisitions/business combinations, recording of minority interest, accounting for leases and revenue sharing arrangements, accounting of deferred taxes, use of fair value for recording assets and liabilities, classification of financial assets and liabilities, disclosure impact in connection with financial instruments, segment reporting, related party disclosures, interim financial reporting, etc. in terms of the Ind AS are different from the accounting policies for these items under Indian GAAP. As a result, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements.

Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Our management is devoting and will continue to need to devote time and other resources for the successful and timely implementation of Ind AS. A failure to successfully transition into the Ind AS regime may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences against our Company. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. There is not yet a significant body of established practice from which to draw references/judgments regarding the implementation and application of Ind AS. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see "*Significant Differences between Indian GAAP and Ind AS*" on page 143.

Additionally, the Ministry of Finance, GoI has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and are applicable fiscal 2016 onward. Therefore, ICDS will have a direct impact on computation of taxable income of our Company fiscal 2016 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 142 and 150, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

59. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect our financial condition.*

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our borrowing rates and future financial performance.

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

Under the Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. By way of the Finance Bill, 2017, the Government of India has proposed to introduce certain anti-abuse measures, pursuant to which, the aforesaid exemption from payment of capital gains tax for income arising on transfer of equity shares shall only be available if STT was paid at the time of acquisition of the equity shares. While the said provision has not been notified as on date, it is expected to take effect from April 1, 2018 and will, accordingly, apply in relation to the assessment year 2018-19 and subsequent assessment years. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

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

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

Further, as on the date of this Red Herring Prospectus, our Company is a multi-brand retail company, and pursuant to the FEMA Regulations and the foreign direct investment policy, foreign direct investment in our Company is permitted upto 51%, with prior approval from the FIPB, in addition to complying with certain sectoral conditions. However, pursuant to the FEMA Regulations, a multi-brand retail company is permitted to receive portfolio investment up to an aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, without prior FIPB approval or upon compliance with sectoral conditions, as the case may be, provided that such investment does not result in a transfer of control and/or ownership of the company from resident Indian citizens to non-resident entities. Accordingly, subject to the above restriction, non-residents that are (i) FIIs investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations, (ii) FPIs investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations, and (iii) Eligible NRIs investing on a non-repatriation basis in compliance with Schedule 4 of the FEMA Regulations, are permitted to participate in the Offer. Other non-resident investors, such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Offer. Such restrictions may adversely affect our ability to raise foreign investment in the Company. Pursuant to letter dated January 23, 2017, our Company received an approval from the RBI for increase in FII/RFPI limit through primary markets and stock exchanges from 24% to 49% of the paid up capital of our Company under the Portfolio Investment Scheme and NRIs from 10% to 24%, subject to FEMA Regulations. There can be no assurance that we will be able to comply with such restrictions or obtain any required approvals for future investments in our Company under the foreign direct investment route, or that we will be able to obtain such approvals on satisfactory terms, which may adversely affect our results of operations, financial condition, financial performance and the price of our Equity Shares.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would

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

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

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

Prominent Notes:

- Our Company was originally incorporated as Shankara Pipes India Private Limited on October 13, 1995. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on August 28, 2007 in the name of Shankara Pipes India Limited. The name of our Company was subsequently changed to Shankara Infrastructure Materials Limited on March 25, 2011. Thereafter, the name of our Company was changed to Shankara Building Products Limited on July 27, 2016. For further details in relation to the change in the name of our Company, see "*History and Certain Corporate Matters*" on page 109.

- This Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●] aggregating to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹450 million by our Company and Offer for Sale of up to 6,521,740 Equity Shares aggregating to ₹[●] million by the Selling Shareholders. The Offer will constitute 25% of the post-Offer paid-up Equity Share capital of our Company.

- Our net worth was ₹3,321.47 million as at December 31, 2016 and ₹2,906.04 million as at March 31, 2016, as per our Restated Consolidated Financial Statements and ₹2,399.80 million as at December 31, 2016 and ₹2,262.42 million as at March 31, 2016, as per our Restated Standalone Financial Statements, which are included in this Red Herring Prospectus. For details, see "*Financial Statements"* on page F-38 (consolidated) and page F- 77 (standalone).

- Our net asset value per Equity Share was ₹151.87 as at December 31, 2016 and ₹132.87 as at March 31, 2016, as per our Restated Consolidated Financial Statements and was ₹109.73 as at December 31, 2016 and ₹103.44 as at March 31, 2016 as per our Restated Standalone Financial Statements.

- The average cost of acquisition of Equity Shares by our Promoter is ₹3.22 per Equity Share.

- Except as disclosed in the chapter "*Our Group Entities*" and section "*Financial Statements- Statements of Related Parties and Related Party Transactions*" on pages 137 and F-34 (consolidated) and F-69 (standalone), none of our Group Companies have business interests or other interests in our Company.

- For details of related party transactions entered into by our Company with the Group Companies, our Subsidiaries and other related parties during Fiscal 2016 and the nine months period ended December 31, 2016, the nature of transactions and the cumulative value of transactions, see "*Financial Statements - Statements of Related Parties and Related Party Transactions*" on page F-34 (consolidated) and F-69 (standalone).

- There have been no financing arrangements whereby our Promoter, 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 of the financing entity during the period of six months immediately preceding the filing of the Draft Red Herring Prospectus.

- Investors may contact any of the Book Running Lead Managers 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 53.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*Unless stated otherwise, the information in this section is derived from the report titled "Assessment of Housing and Building Material Industry in India, September 2016" dated September 26, 2016 read alongwith the addendum dated February 3, 2017 ("**CRISIL Report**"), and also as well as includes extracts from publicly available information, data and statistics. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision, on this information.*

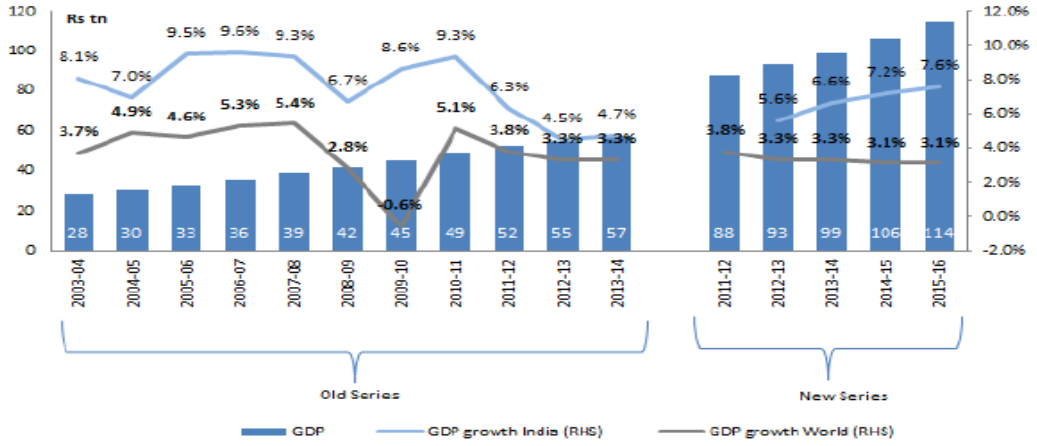
The CRISIL Report was commissioned by our Company and has been prepared by CRISIL Research – a division of CRISIL Limited, for which our Company had made a payment to CRISIL Limited. The market research process for the report has been undertaken through secondary/desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts.

*CRISIL Research, a division of CRISIL Limited has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable (the "**Data**"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. The CRISIL Report is not a recommendation to invest/disinvest in any company covered in the CRISIL Report. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division/ CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL's Ratings Division/CRISIL. No part of the Report may be published/reproduced in any form without CRISIL's prior written approval.*

Indian Economy

India ranked as the 7th largest economy in the world with a GDP of US$ 2,073,543 million for 2015. (*Source: World Development Indicators database, World Bank, July 22, 2016 - http://databank.worldbank.org/data/download/GDP.pdf)*

As per the revised estimates released by the Central Statistical Organization on May 31, 2016, India's GDP grew as estimated, at 7.6% in Fiscal 2016 (new base year 2011-12 adopted for calculation of GDP).



Note: *World GDP growth calculation is based on calendar year while that of India is based on Financial Year*
Source: Central Statistical Organisation, International Monetary Fund, CRISIL Research

Impact of demonetisation on GDP growth

GDP growth in the first half of Fiscal 2017 was 7.2% compared with 7.5% in the same period of Fiscal 2016. After demonetisation, the same is expected to be reasonably lower in the second half. The channels through which demonetisation will work on GDP are broadly understood, but the extent of impact will depend on the time taken to get the cash floating back through the economy as before. The problem gets compounded because of a preponderance of cash transactions in the huge informal sector, which cannot be accurately measured or monitored. We believe the cash crunch will impact private consumption demand (55% of GDP) directly, and cull GDP growth in the third and fourth quarters of the current fiscal. Assuming it will take a couple of months to normalise, post the demonetisation, CRISIL Research expects the GDP growth rate to come down by 100 basis points to 6.9% in fiscal 2017. The jolt to demand will also pull inflation down. We now expect the Consumer Price Index (CPI)-based inflation to print lower at 4.7% compared with our earlier forecast of 5%. (Source: CRISIL Report)

The primary and immediate channel for deceleration would be the slowdown in consumption demand. India is largely a cash-based economy. According to a 2013 report (1 N Joseph, R Korenke, B D Mazzotta and B Chakravorti, 'Cash Outlook: India', IBGC Working Paper 13-01, The Institute for Business in the Global Context, The Fletcher School, Tufts University), the value of cash transactions in India as a percentage of total consumer payments was approximately 86% in 2012. This number might have come down in last few years led by some pick-up in electronic transactions, but would still be significantly high.

Private consumption, at around 55%, is the biggest contributor to India's GDP. While it is difficult to quantify the exact impact of demonetisation, directionally it would be negative in the short run and if businesses do not return to normalcy, the slowdown may spill over to the next fiscal year because of a delay in private investments.

While ongoing investments might not slow down, fresh investment plans may be deferred if private consumption doesn't pick up and uncertainty continues, which, in turn, would further delay the much-needed recovery in India's private investment cycle.

On the whole, GDP growth in the second half would be lower than in the first, and we scale down our real GDP growth projection for the current fiscal to 6.9% from 7.9% earlier.

Indian Demographics

According to the United Nations Population Fund's State of the World Population report, released in 2014, India had 356 million people in the 10-24 year age group, nearly 87 million more than in China. According to a report published by the IRIS Knowledge Foundation in collaboration with UN HABITAT in Fiscal 2013, 64% of India's population will be in the working age group by 2020.

India's per capita income grew at a healthy rate in the three years to 2015-16. It rose 7.3% to ₹93,293 in Fiscal 2016 from ₹86,879 in Fiscal 2015, and ₹79,412 and ₹71,050 in Fiscals 2014 and 2013 respectively (Base year 2011-12). In real terms, per capita income is estimated to have grown by 6.2% in Fiscal 2016 compared with 5.8% in the preceding Fiscal. This buoyant trend in per capita income is expected to continue in the long term. In Fiscal 2017, and in the short to medium term, disposable income will rise as a result of the government's acceptance of the Seventh Pay Commission's recommendations and the One Rank One Pension scheme, and sustained low inflation. This will facilitate increase in domestic consumption.

Housing industry in India

The current size of the real estate industry (inclusive of residential, commercial, retail, hospitality and educational projects) in India is estimated in the range of ₹8.5 - 9.0 trillion (2015-16). The housing real estate industry accounted for about 80% of the total real estate industry at about ₹7-7.5 trillion, the balance being contributed by commercial, retail, hospitality and educational projects. Within the housing industry, the share of building materials is estimated at approximately 45%, which translates to ₹3.2-3.4 trillion in value terms. The key factors that will drive the housing demand are as follows:

Housing demand tracks population growth

Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected to increase approximately 10%-12% to 1.3-1.4 billion, which will see housing demand touch 283-287 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

Urbanisation

Housing demand will primarily come from urban areas. As migration from rural areas to cities continues for several reasons, including for better job opportunities and education, the share of urban population in the urban-rural mix, which stood at about 31% in 2011, is expected to expand to nearly 35%-37% by 2020.

Tax incentives

The government has used tax regulations to promote the housing sector, including i) providing interest subsidy of 6.5% for loans up to ₹6 lakh, 4% for loans up to ₹9 lakh and 3% for loans up to ₹12 lakh under Pradhan Mantri Awas Yojana ; ii) tax incentives for annual interest payment up to ₹2 lakh (₹3 lakh for senior citizens) on housing loan; iii) deduction of principal repayment limit of upto ₹1.5 lakh on home loan under Section 80C of Income Tax Act, 1961; and iv) holding period for immovable assets, including residential property, reduced from three to two years; for long-term capital gains, indexation year changed from 1981 to 2001 and exemption in capital gains accruing from transfer of residential property, if invested in acquiring/constructing a residential building within two/three years.

Growth in government investments towards housing segment in the recent five year plans

Over the last decade, the economy has witnessed turbulent cycles including a major slowdown in 2008. While each subsequent five year plan was based on the actual versus budgeted comparison (of the previous plan), the policy direction were linked to the local and global macro-economic scenarios. Over the last three five year plans, the total allocation/ budgetary outlay have grown by more than five times (between the tenth and twelfth five year plan). During the same period, the share of housing and urban development has improved from 7% to 10% clearly highlighting government's focus on housing and urban development segment.

(At current prices)	**Tenth five year plan**	**Eleventh five year plan**	**Twelfth five year plan**
Plan period	2002-2007	2007-2012	2012-2017
Total allocation/ outlay (₹ billion)	5,909	14,881	33,361
Share of housing and urban development	7%	7%	10%

Demand drivers for growth of the home improvement retail

Demographic factors

- *Increase in population*: Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected to increase approximately 11% to 1.4 billion, which will see housing demand touch 285 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

- *Increase in urbanisation*: Urban population's share in total population has been consistently rising over the years and stood at about 31% in 2011. Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. Nearly 36% of the country's population is expected to live in urban locations by 2020, which will drive the demand for housing in these areas. Urbanisation has a twin impact on housing demand- reduction in area per household and rise in number of nuclear families - leading to formation of more households.

- *Increase in income levels*: India's per capita disposable income has increased from ₹73,476 in Fiscal 2012 to ₹107,817 as of Fiscal 2016 (*base year Fiscal 2012, at current prices, inclusive of other current transfers (net) from rest of the world)*). Increasing disposable income increases demand for housing units as it increases the affordability. This has a cascading effect on building materials segment.

- *Increase in nuclear families*: The trend of nuclearisation, formation of multiple single families out of one large joint family, is expected to increase in India as individuals give more importance to increased mobility of labour in search of better employment opportunities. Changing social/cultural attitudes too contributes to increased nuclearisation, leading to higher demand for housing.

Enabling factor

- *Easy availability of finance:* Easy availability of financing options for the retail customer is expected to provide a boost to the housing segment and consequently serve as a potent demand driver for the building material segment.

Other factors

Apart from the macro-economic factors listed above, several other factors have led to the increased penetration of building materials in India, especially in the retail segment:

- *Changing aspiration of Indian consumer*: Increase in income levels, shift in employment patterns, exposure to global trends and increase in discretionary spending have resulted in changing aspiration of Indian consumers. With increasing double income, nuclear families, the levels of discretionary spending have risen, thereby contributing to demand for building materials. Additionally, a sizeable portion of the Indian middle class is well-travelled and exposed to global trends, which has increased the demand for premium building materials across segments.

- *Increase in product and brand awareness*: As compared to the past two-three decades, end-customers (including architects, interior designers and contractors) today are spoilt for choice when it comes to choosing branded building materials across segments. The entry of several global brands, especially in the sanitary ware, plumbing, tiles and lighting segments, has also significantly widened broadened the range of offerings. Apart from technological and design-oriented initiatives, most of the branded players have also significantly ramped up their marketing and advertising efforts to create more awareness. Setting up of 'experience stores' or 'design studios', signing up of celebrities or eminent personalities as brand ambassadors, increased spend on print, outdoor and television advertisements, have resulted in greater awareness about branded building materials.

- *Changing trends in renovations and remodelling*: Home renovation or remodelling decisions were earlier linked to major life events such as marriage, shifting residences or birth. Today, the mindset has undergone a change with regards to frequency of renovations/remodelling. This is primarily due to the increase in income levels, discretionary spending and exposure to global trends. Houses have graduated from being functional living spaces to a reflection of one's personality. The willingness to spend significant sums of money on one's home has played a crucial role in the growing demand for building material segments. There has also been a significant shift in the level of customer involvement in construction, renovation or remodelling decisions. Today, the customer is willing to invest time and money on various building materials for his home, thus contributing to the overall growth of the building material segments in India.

Key provisions of Budget 2017

The budget 2017 extended various benefits to the affordable housing sector, including infrastructure status and increased allocation under the Pradhan Mantri Awas Yojana scheme. In terms of the CRISIL Report, the usage of carpet area instead of built-up area and extension of project completion timeline from three to five years under the profit-linked income tax deduction scheme (80-IBA) for developers focusing on affordable housing will further widen the sector's scope.

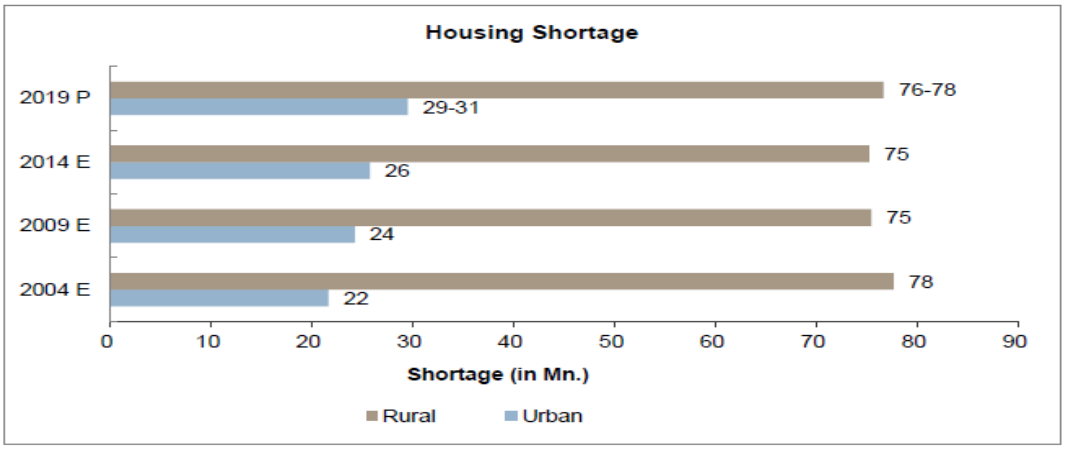
Further, the demand for cement and steel should generate a positive multiplier effect in employment and incomes, leading to a positive impact on the building material industry in the long run.

Urban vs. Rural housing

Housing shortage to increase at faster pace in urban areas

Rising migration to urban areas is expected to put pressure on available housing stock. It is forecasted that urban housing shortage will rise at a faster pace than rural shortage, over the next five years. Affordability also plays a role, as potential demand is not met when prices of existing vacant units are unaffordable.

Overall housing shortage (million units)



Pucca houses increase in both urban and rural India

Urban housing stock is predominantly pucca in nature, with semi-pucca and katcha houses making up a marginal percentage. As per census 2011, the proportion of pucca houses has increased from 33% to 55% in rural India. Similarly, urban India has seen a fall in semi-pucca houses and sharp increase in the pucca houses in 2011 *i.e.* pucca houses grew to 92% in 2011 from the 75% levels as recorded during census 2001.

Retailing of building material

Home improvement retail market in India for eight key segments currently sized at ₹1.5-1.8 trillion as of Fiscal 2016

While organised retailing has reached healthy penetration levels in the apparel, footwear and consumer durable segments, it has yet to make a mark in the building materials segments. The home improvement retail industry in India can be defined as that catering to small consumers, such as home owners, architects, interior designers and contractors, which is typically serviced by dealers or retailers of such products. Such dealers or retailers, who typically operate in single or multiple building materials segments, across single or multiple stores, have been present since several decades.

In recent times, branded manufacturers of building materials, such as JSW (via JSW Shoppe and JSW Explore for steel products), Essar (via Essar Hypermart for steel products), Cera (via Cera Style Studio for sanitary ware, faucets and tiles) Phillips (via Phillips Light Lounge for decorative lighting products), have increased their presence in the retail category via their retail outlets. However, such stores typically cater to only those segments in which they specialize and house only their in-house brands. As of date of the CRISIL Report, in the Indian scenario, there are limited players who offer multiple building materials segments across brands on a pan-India level. According to CRISIL Research estimates, the home improvement retail industry in India for the eight key building materials (namely cement, structural steel, bricks, paints, plumbing (PVC pipes), ceramic tiles & sanitary ware, plywood & laminates and lighting)is currently sized at ₹1.5-1.8 trillion as of Fiscal 2016. CRISIL Research has considered the typical share of the retail sales channel (B2C) of the segments for computing the current market size of the home improvement retail industry in India. Thus, retail sales for these eight key products accounts for 34-38% of the total sales. The balance sales take place via the institutional and wholesale channels.

Indian retailing industry

In Fiscal 2013, India's GDP growth slipped below 6%, curtailing consumer spend and denting growth of the retail industry, which slowed from a decadal peak of 20% in Fiscal 2011 to 8%. The industry faced challenges even after Fiscal 2013. While GDP growth improved in Fiscal 2014, high inflation of around 10% impacted consumer spending, with the retail industry growing about 10%. In Fiscal 2015, retail growth gained momentum due to low inflation of about 6%. In Fiscal 2016, the GDP growth rate was 7.6% vis-a-vis 7.2% in Fiscal 2015. This coupled with falling inflation, helped restore the industry's growth momentum at 11%. The growth momentum in Fiscal 2017 would be supported by stable inflation, implementation of Seventh Pay Commission and a normal monsoon, among other factors.

Organised retailing segment

Organised retailing grew at 25-30% CAGR for a few years prior to Fiscal 2011. However, from Fiscal 2011 to 2016, organised retail grew at a relatively slow 17% CAGR as a tepid economy put the brakes on disposable income from Fiscal 2012 to Fiscal 2015. Growth rebounded the next year, with organised retailing expanding 16% on-year in 2015-16. With the economy improving, and low inflation and declining commodity prices acting as a catalyst for the industry, CRISIL Research projects 19% on-year growth in 2016-17. Over Fiscal 2016 to Fiscal 2021, organised retailers could clock 22-24% CAGR, reaching ₹9.2 trillion, as consumer sentiments improve and the economy picks up. Furthermore, lower inflation, implementation of Seventh Pay Commission pay-outs will also add to disposable income, further augmenting growth in organised retailing.

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by these forward looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Red Herring Prospectus on page 142.

Overview

We are one of the leading organised retailers of home improvement and building products in India based on number of stores, operating under the trade name *Shankara BuildPro (Source: CRISIL Report)*. As on December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India. We cater to a large customer base across various end-user segments in urban and semi-urban markets through our multi-channel sales approach, processing facilities, supply chain and logistics capabilities.

Our retail operations are strategically suited to benefit from growth in housing demand, large market for home improvement, and increasing customer involvement in home solution decisions which have created a need for organized speciality home improvement and building product stores. Our growth is further driven by our ability to make available an assortment of quality products under a trusted corporate brand built over two decades. Our staff creates awareness about products and applications, and guide customers' purchase decisions. We also provide delivery and facilitate installation services for select product categories.

We serve home owners, professional customers (such as architects and contractors), and small enterprises, through our retail stores. Additionally, in the semi urban markets, we also cater to specific agricultural requirements of individual customers and small enterprises. Under retail operations, we offer a comprehensive range of products at our stores, including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. We carry reputed third party brands such as Johnson, Sintex, Uttam Galva, Uttam Value, Futura, APL Apollo, Astral Pipes and Alstone and our own brands such as CenturyRoof, Ganga and Loha at our retail stores. During the nine months period ended December 31, 2016 and Fiscal 2016, our revenue from retail sales was ₹7,157.13 million and ₹8,077.56 million respectively, which contributed 41.86% and 39.68% of our total sales as of December 31, 2016 and Fiscal 2016, respectively. The revenue from retail sales in Fiscal 2016 represented a CAGR of 28.67% as compared to our revenue from retail sales in Fiscal 2012, being ₹2,947.20 million. The balance revenue during the nine months period ended December 31, 2016 and during Fiscal 2016 comprised of enterprise sales, contributing 33.35% and 32.20%, respectively, and channel sales contributing 24.79% and 28.13%, respectively, of our total revenue.

Our enterprise sales caters primarily to large end-users, contractors, and OEMs, while the channel sales caters to dealers and other retailers through our extensive branch network. In these operations we primarily offer steel based products, such as structural steel, TMT bars, pipes and tubes and other allied steel products. Given the wide application of such building products, we are able to cater to multiple sectors, including, among others, housing, general engineering, automotive, renewable energy, agriculture, construction and infrastructure. We also provide customized solutions to our enterprise customers through our bespoke steel products such as bus bodies, scaffolding solutions and other allied products for select clients. During the nine months period ended December 31, 2016 and in Fiscal 2016, our revenue from enterprise sales was ₹5,701.19 million and ₹6,554.93 million, respectively, and revenue from channel sales was ₹4,239.19 million and ₹5,726.71 million, respectively. For the nine months ended December 31, 2016 and for Fiscal 2016, our customer base is widely distributed and the top 10 customers accounted for 3.89% and 3.67%, respectively of our overall revenues.

We are backward integrated through our processing facilities in select building products like steel pipes, colour coated roofing sheets, bright rods, galvanized strips and cold rolled strips. We sell these products under our own brands like CenturyRoof, Ganga, Loha, Taurus and Prince Galva through our retail and branch network. Our own processing facilities help us to offer customised solutions and meet quality standards as well as timely delivery requirements of our customers. As on December 31, 2016, we had 11 processing facilities having a total installed capacity of 323,200 MTPA operating at an average capacity utilization of 93.81% (annualized). In January 2017, we commenced production at our stainless steel pipes and tubes processing facility in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA. These capacities can be scaled in a modular manner as per requirement.

To cater to our customers, we also have a robust logistics network which, as of December 31, 2016, consisted of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) aggregating 0.59 million sq.

ft., and a fleet of 44 owned trucks to augment our last mile delivery. A large part of our warehousing backbone is owned which ensures stability of operations. It also helps in catering to the requirements of our retail outlets.

With an aim to offer a comprehensive range of products, we have expanded our product offerings and as of December 31, 2016, our product portfolio comprised of 19,230 SKUs. This has resulted in enhanced growth and profitability at the retail store level. As of December 31, 2016, our building products are marketed and sold through 103 retail stores, aggregating 0.37 million sq. ft. Our total number of retail stores has consistently grown from 43 in the end of Fiscal 2012 to 95 in the end of Fiscal 2016, evidencing a sq. ft. growth from 0.13 million to 0.32 million. For the nine months period ended December 31, 2016, we recorded ₹19,173 retail sales per square foot. From Fiscal 2012 to Fiscal 2016, our retail sales per square foot per annum increased from ₹23,452 to ₹25,003. From Fiscal 2012 to Fiscal 2016, our annual number of retail transactions increased from 97,639 to 395,697 thereby increasing our retail customer base, which is also evident from a decrease in average transaction size from ₹30,185 to ₹20,413. For Fiscals 2014, 2015 and 2016, our retail stores recorded same store sales growth of 13.25%, 24.19% and 28.29%, respectively.

Our Company was founded by our Promoter, Sukumar Srinivas, an alumnus of the Indian Institute of Management, Ahmedabad, and a first generation entrepreneur, currently having 33 years of experience in the building products industry.

Our total revenue from operations, as per our Restated Consolidated Financial Statements for Fiscals 2014, 2015 and 2016, and for the nine months period ended December 31, 2016, was ₹19,271.04 million, ₹19,788.16 million, ₹20,359.20 million and ₹17,097.51 million, respectively and our net profit after tax, for Fiscals 2014, 2015 and 2016, the nine months period ended December 31, 2016, was ₹287.08 million, ₹225.77 million, ₹413.29 million and ₹415.46 million, respectively. We were ranked 200th among India's largest unlisted companies in terms of revenue, by Business Standard in the year 2015. Also, we were awarded the 'Emerging India Award' in the "Retail Trade" category, organized by ICICI Bank, CRISIL and CNBC TV 18 in the year 2005.

Our Competitive Strengths

Providing our customers a unique experience by offering a comprehensive range of home improvement and building products

We offer our retail customers a unique experience by providing them a comprehensive range of home building products under one roof. Such product offerings include structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, plumbing, tiles, solar heater, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. Our wide product range helps in cross selling our products across our customer groups. We have been able to successfully leverage our experience to streamline our product offerings depending on customer preferences in the home building and home solutions space. We have also strategically located our retail stores in select urban and semi-urban areas which has enabled us to reach out to a larger number of retail customers.

We are possibly among the few organized, third party retailers of building products in India. We believe that our retail stores are better placed to service customer requirements. We also believe that, compared to local hardware stores and wholesale players, we offer a much wider product portfolio, maintain higher SKUs at our retail stores, are strategically located to suit customer requirements, offer a wider range of customised products, other allied services and have more experienced staff to guide and assist our customers with their product requirements. We provide window displays of various products, such as model bathrooms with tiles, sanitary, and light fittings, to complete the visual for our customers. We also provide last mile delivery of our retail products. We offer electronic weighing systems and transparent pricing with computerized bills which helps build credibility and trust with customers on ethical business practices.

We have dedicated trained staff for our channel and enterprise customers. We offer a wide assortment of quality products, arrange delivery and run loyalty programs for the benefit of our customers. We also customize and service specific product requirements of our enterprise customers in the bespoke operations. We have been able to build a large, loyal base of small and large customers spread across various industries over a period of time.

We have built strong customer relationships over the last two decades and continue to work actively towards further strengthening it. We believe that the trust and convenience that we offer to our customers, our large product basket, multitude of suppliers and buyers and a wide geographical span create unique entry barriers for our competitors.

Our strong vendor network and relationship built over two decades

We have a wide network of suppliers for our various product offerings. One of the key challenges faced by building product manufacturers is ensuring adequate availability and appropriate display of their products for their target customer segments, which has been resolved by our offering of an organized platform for such sales across our retail stores. As on December 31, 2016, we offered our suppliers a growing network of 103 retail outlets spread across 9 states and 1 union territory in Tier-I Cities, Tier-II Cities and Tier-III Cities. As of December 31, 2016, we operated 30 stores in Tier-I Cities, 30 stores in Tier-II Cities and 43 stores in Tier-III Cities. We are able to aggregate demand across each of our retail stores to generate

significant volumes across product categories. In addition, our suppliers also get access to our extensive enterprise and channel customer base spread over 9 states and 1 union territory to whom we cater through our own supply chain and logistics network. Realizing the significant potential of our sales network and our organized setup, we have become a natural partner of choice for our suppliers.

We also have exclusive arrangements with certain key suppliers. We have been associated with reputed third party brands, including among others, Johnson, Sintex, Uttam Galva, Uttam Value, Futura, APL Apollo, Astral Pipes and Alstone and we believe that such relationships with marquee suppliers have enhanced our brand equity and marketability.

Our presence across the entire value chain

Our business operations span across the entire value chain of processing, channel sales, enterprise sales, retail sales and other allied services such as delivery and installation. We believe that our business operations share a symbiotic relationship with each other and contribute to each other's strength and we leverage on this unique capability to provide services across each of these operations.

Our interface with our customers helps us keep track of changing market trends which we feed to our procurement and processing divisions. Our own processing division helps us service bespoke customer requirements for enterprise clients. Through our trained retail staff, we create opportunities of installation services to entrench ourselves firmly with our end customers. We further leverage our own processing capabilities to service customised order requirements at our retail stores. In product categories which are common across all operations, we are able to enjoy economies of scale on purchases. Given our large customer base, we are also able to manage inventory more efficiently across our network. We share our warehouse and logistics infrastructure across our retail and enterprise sales network creating significant efficiencies. While our new stores gain traction and see a ramp up in revenue, we leverage our deep channel sales and customer network to achieve quicker break even.

The ability to capture higher margins by moving closer to the customer through retail stores and branded products as also through backward integration through our own processing is significant and a unique strength for us. Our product experts straddle across segments identifying new product opportunities. Our retail store network provides a ready platform for these products, which could be procured through our own processing facilities or through contract manufacturing. Our channel and enterprise network further augments the sale and strengthening of our brands.

Robust back-end infrastructure ensuring efficient supply chain management

We have been focused on implementing proper systems and processes since our inception and this has been the foundation for us to scale successfully. Our Company received its ISO 9001 certification in 2003. We have implemented an efficient ERP system. We generate daily reports for key business metrics such as sales, collection, debtors, inventory and production for the senior management. We also have a monthly MIS system, and our sales process is controlled entirely through the ERP. Sales to new enterprise and channel customers are made only after due verification by respective territory heads which aids in the creation of centralized customer records in the head office with appropriate credit amount and credit period information. Post-dated cheques, or in some cases letters of credit, are taken upfront from these new customers. This coupled with focus on collection from debtors has ensured low bad debt history. We undertake monthly production and procurement planning exercise, and maintain strong controls on product wise and process wise costing which helps us optimize efficiency and improve margins. We have a dedicated internal audit team and a store co-ordination team which periodically visits each retail store, branch and warehouse to keep control on inventory and our debtors.

We have strong in-house logistics and supply chain capabilities. We have built a robust logistics network of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) as of December 31, 2016, aggregating 0.59 million sq. ft. and operate a fleet of 44 owned trucks. A large part of our warehousing backbone is owned which ensures stability of operations. We have tie-ups with a number of third party logistics providers to efficiently move our products. Our strong logistics capabilities, supply chain network and in-house warehousing facilities have enabled us to develop an efficient supply chain to our retail stores and branches. Over the years, we have been successful in minimizing our inventory costs by maintaining optimum in-stock levels by efficiently monitoring customer preferences through our ERP system and MIS controls.

We have facilities to process steel tubes, roofing sheets, bright rods, galvanized and CR strips in multiple locations. As of December 31, 2016, our installed capacity for our products was 323,200 MTPA, and this has been scaled over the last six years. This growth started with the acquisition of a steel tube and CR strips unit in Bengaluru with a capacity of 41,000 MTPA in Fiscal 2010 and since then we have scaled it to 93,600 MTPA as of Fiscal 2016. We also started a greenfield steel tube and strip galvanizing unit in Hyderabad in Fiscal 2012, with a capacity of 39,000 MTPA, which has been scaled upto 165,000 MTPA as of Fiscal 2016. In Fiscal 2014, we acquired a roofing sheets unit with production capacity of 10,000 MTPA, which has now been scaled up to 27,600 MTPA as of Fiscal 2016. In January 2017, we commenced production at our stainless steel pipes and tubes processing facility in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA.

We believe that we have created a strong foundation of human capital, physical capital and systems and processes to scale the business further. We undertook over 0.51 million sale transactions in Fiscal 2016 across 53 products and 12,568 SKUs, which has been scaled upto 0.39 million sale transactions across 74 products and 19,230 SKUs as at December 31, 2016. Our scale enables us to undertake marketing campaigns to build our brand and enter into preferential relationships with our vendors. It gives us an edge over our competitors and also provides us the necessary financial strength to sustain as well as expand our retail network and product portfolio.

Strong track record and financial stability

We have maintained a strong track record of growth over the years through expansion of stores, improved procurement costs, higher customer retention and increase in same store sales growth. Our operational efficiencies and efficient supply chain network has resulted in better control of operational expenses and thereby enabled rise in profits after tax. Further, we have been able to capitalize on our existing logistics, supply chain network and backward integrated facilities to utilize our capital efficiently.

We have added numerous processing facilities (greenfield and acquisitions), warehousing infrastructure, substantially scaled up our retail operations and added a number of new product categories. All these initiatives, which took time to fructify, have now started yielding results and have prepared a strong base for future growth. In Fiscal 2012, we delivered high return on equity of 18.51%, which dipped to 8.92% in Fiscal 2015, and is now back on the same trajectory with return on equity of 14.22% being recorded for Fiscal 2016 and 12.51% for the nine months period ended December 31, 2016. We have been profitable since our inception in 1995.

As per our Restated Financial Statements, from Fiscal 2012 to Fiscal 2016, our revenue increased at a CAGR of 9.55%, our EBITDA at a CAGR of 14.35% and our profit after tax (after minority interest) increased at a CAGR of 8.44%.

Experienced and dedicated management team

We have an experienced and dedicated team of Key Managerial Personnel, with significant experience in all aspects of our business operations. Our management team is led by our Promoter, Sukumar Srinivas, an alumnus of the Indian Institute of Management, Ahmedabad, who has been associated with the building products industry for over thirty years. Our strategy to evolve into a one-stop-shop solution of home building products in Fiscal 2010, is owed to the vision of our Promoter, and has translated into the setting up of our elaborate network of retail stores, providing well-known brands across home building product categories. Over the last two decades, we have demonstrated sustainable growth and believe that our multi brand retail business format has matured and offers significant growth possibilities.

A majority of our team of Key Managerial Personnel, have had a longstanding relationship with us, and have been associated with us since our inception and are involved in our day to day management, growth objectives and key strategic initiatives. We believe that due to our Key Managerial Personnels' understanding of the industry trends, demands and market changes, we have been able to scale our operating capabilities and take advantage of market opportunities over the period. This has helped us turnaround the two acquisitions that we undertook within a short period of acquiring them. The strengths and qualities of our Key Managerial Personnel, has enabled our Company to enhance our brand equity.

Strategies

Scaling our retail presence

To address the growing demand for home building and home improvement products, we intend to expand our footprint of *Shankara BuildPro* stores over the next few years. Towards this objective we have already opened eight new *Shankara BuildPro* stores in the current Fiscal upto December 31, 2016, and as on December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India. We would also leverage on our existing logistics capabilities and backward integrated processing units to further expand our retail operations across India.

Enhancing our product offerings

We intend to further enhance and expand our existing product portfolio at our retail stores, by adding more product categories and more brands in existing product categories such as electricals and decorative paints. We would also focus on building strategic relationships and strengthening our existing relationships with suppliers and manufacturers of home building products. In the past, we have successfully added new brands and introduced new products, which is evident from the wide range of product offerings which has grown from 7,401 SKUs in Fiscal 2014 to 12,568 SKUs in Fiscal 2016 and 19,230 SKUs as at December 31, 2016 and the number of third party brands have grown from 15 in Fiscal 2012 to 46 in Fiscal 2016 and to 68 during the nine months period ended December 31, 2016. In addition, we intend to increase our own branded product offerings either through in-house capabilities or through contract manufacturing.

Increasing our presence in bespoke products

We intend to capitalize on our specialization in processing customized steel products by deepening our presence in bespoke products, where we are backward integrated with our own processing facilities. We believe that our in house capabilities will enable us to further consolidate our footprint in this market and also enhance our brand equity and marketability. We intend to offer more customization solutions and further integrate them with our retail outlets.

Further strengthening our value chain

We have in the past successfully acquired and integrated certain companies such as CRIPL for roofing solutions and VPSPL for tube and strips processing. This has enabled us to backward integrate our business operations and strengthen our value chain. We also intend to continue to explore such business opportunities, including through inorganic acquisitions, and foraying into new product verticals, depending on market conditions and emerging business opportunities. This would enable us to expand our product range and our customization capabilities.

Focus on our brand equity and marketability in the home improvement and building space

We intend to focus on enhancing our brand equity and marketability through various means, including, expansion of our *Shankara BuildPro* stores across India. We believe that such initiatives will enable us to establish a loyal customer base across our target customer categories and further increase our revenue. We also intend to further strengthen our relationship with our existing customers by increasing the reach of our loyalty programs, providing a wider product mix and invest in branding to ensure higher customer recall. We further intend to increase our focus on installation services, through trained workers such as plumbers and carpenters who would complete home improvement projects of our customers and provide end-to-end experience to our customers. We intend to further evolve our customer connect through an integrated multi-channel sales approach.

SUMMARY OF FINANCIAL INFORMATION

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

These Restated Financial Statements have been prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and presented under "Financial Statements" on page 142. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 142 and 150, respectively.

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Sr. No.	Particulars	Annexure	As on December 31, 2016	For the year ended March 31				
				2016	2015	2014	2013	2012
I.	**EQUITY AND LIABILTIES**							
1.	**Shareholder's Fund**							
(a)	Share Capital	V(1)	218.71	218.71	218.71	218.71	211.70	203.14
(b)	Reserves and surplus	V(2)	2,181.09	2,043.71	1,973.47	1,957.35	1,722.50	1,394.10
2	**Non-Current liabilities**							
(a)	Long Term borrowings	V(3)	54.99	0.00	18.94	57.96	115.83	191.27
(b)	Deferred Tax liabilities (Net)	V(4)	27.90	26.71	17.31	17.59	56.01	32.53
(c)	Other Long term Liabilities	V(5)	0.15	0.15	0.15	0.01	0.05	0.30
(d)	Long-term Provisions	V(6)	1.00	1.00	1.00	1.00	1.00	1.00
3	Current Liabilities							
(a)	Short-term borrowings	V(7)	1,681.89	1,434.00	2,044.35	2,494.25	2,350.74	1,830.24
(b)	Trade Payables	V(8)						
	-Due to Micro and Small Enterprises	-	-	-	-	-	-	-
	-Due to others		1,645.85	2,024.27	1,079.05	1,038.40	1,060.98	692.17
(c)	Other current liabilities	V(9)	159.90	114.64	118.52	132.06	176.27	159.90
(d)	Short term provisions	V(10)	74.87	49.96	33.70	39.11	29.72	55.25
	TOTAL		**6,046.35**	**5,913.15**	**5,505.20**	**5,956.44**	**5,724.80**	**4,559.90**
II	**Assets**							
1	Non-Current assets							
(a)	Fixed Assets	V(11)						
	-Tangible Assets		989.55	921.89	838.92	701.88	1,253.56	986.00
	-Capital Work in Progress		-	-	-	-	1.10	4.80
(b)	Non-Current Investments	V(12)	380.10	380.10	380.10	370.10	132.50	80.00
(c)	Long Term Loans and Advances	V(13)	556.74	554.61	573.63	548.07	84.77	66.48
(d)	Other non-current assets	V(14)	40.53	22.66	25.00	11.49	3.18	6.46
2	**Current Assets**							
(a)	Inventories	V(15)	1,620.40	1,641.41	1,367.26	1,365.72	1,668.00	1,139.36
(b)	Trade receivables	V(16)	2,369.08	2,356.19	2,235.15	2,195.51	2,441.80	2,074.18
(c)	Cash & Bank Balances	V(17)	11.72	11.75	19.82	10.42	18.25	19.93
(d)	Short Term Loans & advances	V(18)	77.84	24.13	64.95	752.79	46.25	150.38
(e)	Other Current Assets	V(19)	0.39	0.41	0.37	0.46	75.39	32.31
	Total		**6,046.35**	**5,913.15**	**5,505.20**	**5,956.44**	**5,724.80**	**4,559.90**

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

Sr. No.	Particulars	Annexure	As on December 31, 2016	For the year ended March 31				
				2016	2015	2014	2013	2012
1	Revenue from Operations (gross)	V(21)	14,573.14	17,742.50	17,196.56	19,016.66	17,323.39	14,000.51
	Less :Excise Duty		-	-	1.59	181.61	301.24	148.03
	Revenue from Operations (Net)		14,573.14	17,742.50	17,194.97	18,835.05	17,022.15	13,852.48
	Other Income	V(22)	3.65	7.57	9.73	5.16	2.74	2.84
	Total Revenue		**14,576.79**	**17,750.07**	**17,204.70**	**18,840.21**	**17,024.89**	**13,855.32**
II	**Expenses**							
	Cost of materials Consumed	V(23)	-	0.14	6.13	2,016.00	2,647.74	1,250.97
	Purchases of stock-in-Trade		13,616.71	16,958.58	16,215.49	15,326.73	13,310.76	11,709.08
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	V(24)	21.01	(274.29)	(1.45)	88.76	(461.83)	(262.82)
	Employees benefits Expenses	V(25)	189.88	226.05	199.68	186.19	174.38	114.96
	Other Expenses	V(27)	279.00	329.13	298.35	565.72	589.72	395.72
	Total Expenses		**14,106.60**	**17,239.61**	**16,718.20**	**18,183.40**	**16,260.77**	**13,207.91**
III	Restated earnings before interests Tax, depreciation and amortization (EBITDA) (I-II)		470.19	510.46	486.50	656.81	764.12	647.41
IV	Depreciation and amortization Expenses	V(II)	30.92	32.56	35.82	36.55	40.00	22.72
V	Finance costs	V(26)	223.60	293.35	386.25	386.85	319.40	210.42
VI	**Restated Profit before extra-ordinary items tax (III-IV-V)**		215.67	184.55	64.43	233.41	404.72	414.27
VII	**Profit from continuing Operations Before tax**		215.67	184.55	64.43	101.41	260.08	348.21
	Current Tax		77.10	65.38	22.23	34.12	70.68	99.35
	Income Tax for earlier years			-	-	-	-	-
	Deferred Tax		1.19	9.40	(0.27)	9.56	23.48	18.32
VIII	**Profit from continuing Operations after Tax**		**137.38**	**109.77**	**42.47**	**57.73**	**165.92**	**230.54**
IX	Profit from discontinued operations before tax	V(29)	-	-	-	132.00	144.64	66.06
	Less: Tax Expenses							
	Current Tax		-	-	-	44.03	39.32	18.85
	Deferred Tax		-	-	-	(47.98)	-	-
X	**Profits of discontinued operations after tax**	V(29)	-	-	-	135.95	105.32	47.21
	Prior period expenses	-	-	-	-	-	-	-
XI	**Net Profit before Exceptional & Extra-ordinary Item**		137.38	109.77	42.47	193.68	271.24	277.75
	Exceptional Items (Net of Tax)		-	-	-	(0.30)	-	-
XII	Restated Profit after Tax (XI-XII)		**137.38**	**109.77**	**42.47**	**193.38**	**271.24**	**277.75**

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	As on December 31, 2016	For the year ended March 31				
		2016	2015	2014	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before taxation	215.67	184.55	64.43	232.95	404.72	414.27
Add Back						
Depreciation on Fixed Assets	30.92	32.56	35.82	36.55	40.00	22.72
Provision for doubtful debts	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Bad Debts Written off	-	0.25	(0.62)	0.36	1.45	0.25
Loss on Sale of assets	0.18	-	3.73	0.45	0.17	0.34
Interest paid	220.70	288.32	386.25	386.35	317.59	207.84
	467.48	**508.07**	**492.24**	**656.28**	**762.38**	**648.05**
Deduct :						
Profit on sale of assets	-	(0.18)	(0.59)	(0.02)	(0.29)	(0.05)
Interest received	-	(1.14)	(0.09)	(2.15)	(0.47)	(0.55)
CASH GENERATED BEFORE WORKING CAPITAL CHANGES	**467.48**	**506.75**	**491.56**	**654.11**	**761.62**	**647.45**
(Increase)/ Decrease in Inventory	21.01	(274.15)	(1.54)	(219.54)	(528.64)	(381.64)
(Increase)/Decrease in Trade receivables	(30.77)	(121.34)	(55.16)	238.00	(364.24)	(499.51)
(Increase)/Decrease in other assets	(55.82)	52.21	662.07	(225.25)	119.52	(97.43)
Increase/ (Decrease) in Trade payables	(378.42)	945.22	40.65	52.60	293.63	(36.43)
Increase/ (Decrease) in other liabilities	24.39	52.72	(10.89)	33.21	40.82	28.02
CASH GENERATED/ (USED) IN OPERATIONS	**47.87**	**1,161.41**	**1,126.69**	**533.13**	**322.71**	**(339.54)**
Income Tax Paid	(49.60)	(60.34)	(31.75)	(80.22)	(121.03)	(112.27)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	**(1.73)**	**1,101.07**	**1,094.94**	**452.91**	**201.68**	**(451.81)**
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	-	-	(10.00)	(87.60)	(52.50)	-
Purchase of Fixed Assets	(102.68)	(115.80)	(191.91)	(164.60)	(308.23)	(499.34)
Capital Work-in-progress	-	-	-	1.10	3.70	(4.80)
Sale Proceeds from Fixed assets	3.92	0.45	15.90	0.11	0.79	0.88
Interest Received	-	1.46	0.09	1.85	0.47	0.56
NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES	**(98.76)**	**(113.89)**	**(185.92)**	**(249.14)**	**(355.77)**	**(502.70)**
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from/ (Repayment of) Long Term Loans	74.44	(39.41)	(45.97)	26.84	4.80	(63.54)
Proceeds from/ (Repayment of) Working Capital Loan	247.89	(610.35)	(270.44)	143.57	519.67	1,227.33
Proceeds from/ (Repayment of) Public Deposits	-	-	-	(3.81)	(11.34)	(1.70)
Proceeds from/ (Repayment of) Unsecured Loan	-	-	(179.46)	(0.06)	(0.83)	0.02
Interest Paid	(215.15)	(286.33)	(378.53)	(374.74)	(315.32)	(205.20)
Dividend Paid (Including Dividend Distribution Tax)	(6.72)	(59.16)	(25.22)	(3.40)	(44.56)	(17.04)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES	**100.46**	**(995.25)**	**(899.62)**	**(211.60)**	**152.42**	**939.87**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(0.03)	(8.07)	9.40	(7.83)	(1.67)	(14.64)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11.74	19.81	10.41	18.24	19.91	34.55
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note : 17)	**11.71**	**11.74**	**19.81**	**10.41**	**18.24**	**19.91**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated standalone summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

			As at December 31, 2016	As at 31st March				
Sr. No	**Particulars**	**Annexure**	**2016**	**2016**	**2015**	**2014**	**2013**	**2012**
I.	**EQUITY AND LIABILTIES**							
1.	**Share Holder's funds**							
(a)	Share Capital	V(1)	218.71	218.71	218.71	218.71	211.70	203.14
(b)	Reserves and surplus	V(2)	3,102.76	2,687.33	2,313.60	2,114.50	1,786.93	1,411.57
2	Minority Interest	V(3)	0.45	0.35	0.27	0.22	0.19	33.49
3	**Non-Current Liabilities**							
(a)	Long-Term borrowings	V(4)	76.63	52.64	65.61	57.96	115.83	191.27
(b)	Deferred tax liabilities (Net)	V(5)	151.69	131.19	98.40	82.97	56.00	31.45
(c)	Other Long term liabilities	V(6)	0.15	0.15	0.65	0.56	0.55	0.80
(d)	Long-term Provisions	V(7)	7.24	6.45	6.15	1.04	1.00	1.00
4	**Current Liabilities**							
(a)	Short-term Borrowings	V(8)	2,632.86	2,082.74	2,788.40	2,736.17	2,599.06	1,973.42
(b)	Trade Payables – Due to Micro and Small Enterprises.	V(9)	-	-	-	-	-	-
	-Due Others		1,895.89	2,338.11	1,380.71	1,210.60	1,078.63	717.43
(c)	Other Current liabilities	V(10)	411.64	318.95	285.79	277.81	192.06	167.40
(d)	Short-term provisions	V(11)	163.78	154.52	95.59	66.16	49.44	67.21
	TOTAL		**8,661.80**	**7,991.14**	**7,253.88**	**6,766.70**	**6,091.39**	**4,798.18**
II.	**ASSETS**							
1	**Non-current assets**							
(a)	Fixed Assets – Tangible Assets	V(12)	2,408.43	2,192.84	1,906.31	1,601.80	1,334.73	1,067.78
	-Capital Work-in-Progress		-	-	-	-	1.10	4.80
(b)	Goodwill on Consolidation	V(13)	140.40	140.40	140.40	149.60	40.32	21.18
(c)	Long-term loans and advances	V(14)	114.06	126.82	123.18	109.15	88.41	70.38
(d)	Other non-current assets	V(15)	40.53	22.66	25.00	11.49	3.18	6.46
(e)	Deferred Tax Assets (Net)	V(16)	-	0.03	1.22	8.89	-	-
2	**Current assets**							
(a)	Inventories	V(17)	2,901.99	2,558.77	2,320.68	2,212.26	1,849.28	1,295.53
(b)	Trade receivables	V(18)	2,910.62	2,810.39	2,598.22	2,496.54	2,599.04	2,182.85
(c)	Cash and Bank balances	V(19)	22.08	23.72	23.56	27.53	19.97	25.52
(d)	Short-term loan and advances	V(20)	123.66	114.76	114.93	148.37	67.06	85.86
(e)	Other Current assets	V(21)	0.03	0.75	0.38	1.07	88.30	37.82
	TOTAL		**8,661.80**	**7,991.14**	**7,253.88**	**6,766.70**	**6,091.39**	**4,798.18**

The above statement should be read with the notes to restated consolidated summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in million)

Sr. No.	Particulars	Annexure	As at December 31, 2016	For the year ended 31st March				
				2016	2015	2014	2013	2012
I.	**Income**							
	Revenue from operations (Gross)		18,235.07	21,614.64	20,892.40	20,055.14	18,286.02	14,451.22
	Less: Excise Duty		1,137.56	1,255.44	1,104.24	784.10	620.44	314.19
	Revenue from Operations (Net)	V(22)	17,097.51	20,359.20	19,788.16	19,271.04	17,665.58	14,137.03
	Other Income	V(23)	1.38	6.62	8.49	8.22	3.33	2.91
	Total		**17,098.89**	**20,365.82**	**19,796.65**	**19,279.26**	**17,668.91**	**14,139.94**
II	**Expenses**							
	Cost of materials consumed	V(24)	7,687.98	7,990.53	7,628.47	5,952.29	4,404.91	2,662.09
	Purchase of stock – in-Trade		7,309.99	9,851.09	10,021.18	11,615.64	11,966.37	10,397.30
	Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	V(25)	(282.64)	(169.94)	(69.90)	(203.74)	(451.19)	(271.87)
	Employee benefits Expenses	V(26)	367.63	412.87	350.11	263.99	212.00	151.93
	Other Expenses	V(27)	926.67	1,077.13	963.05	756.91	664.11	496.34
	Total Expenses		**16,009.63**	**19,161.68**	**18,892.91**	**18,385.09**	**16,796.20**	**13,435.79**
III	Restated earnings before interest, Tax, depreciation and amortization (EBITDA) (I-II)		**1,089.26**	**1,204.14**	**903.74**	**894.17**	**872.71**	**704.15**
IV	Depreciation and amortization Expenses	V(12)	85.02	95.14	88.07	57.60	46.42	28.92
V	Finance costs	V(28)	374.53	459.71	470.30	416.44	348.66	227.77
VI	**Restated profit before Tax (III-IV-V)**		**629.71**	**649.29**	**345.37**	**420.13**	**477.63**	**447.46**
VII	**Tax Expenses**							
	Current Tax		193.65	201.93	94.15	117.58	134.83	125.80
	(Add/Less) MAT Credit		-	-	2.31	(2.31)	-	-
	Deferred Tax		20.50	33.99	23.09	17.75	24.54	13.06
			214.15	**235.92**	**119.55**	**133.02**	**159.37**	**138.86**
VIII	**Restated Profit after tax before minority interest (VI - VII)**		**415.56**	**413.37**	**225.82**	**287.11**	**318.26**	**308.60**
IX	Minority Interest		(0.10)	(0.08)	(0.05)	(0.03)	(0.06)	(9.72)
X	**Restated Profit for the year (VIII-IX)**		**415.46**	**413.29**	**225.77**	**287.08**	**318.20**	**298.88**

The above statement should be read with the notes to restated consolidated summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(₹ in million)

Particulars	As at December 31, 2016	For Year ended 31st March				
		2016	2015	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before Tax	629.71	649.29	345.37	420.13	477.63	447.46
Adjustments						
Depreciation on fixed assets	85.02	95.14	88.07	57.60	46.42	28.92
Loss on sale of fixed assets	0.72	-	3.75	-	0.25	0.34
Provision for Doubt Debts	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Foreign Currency Translation Reserve	(0.03)	(0.03)	(0.32)	(0.49)	-	-
Bad debts written off Net	0.01	0.31	(0.43)	0.65	1.45	1.45
Liabilities written back	-	-	-	(2.89)	-	-
Interest Paid	369.33	448.87	465.72	414.40	345.16	225.19
Profit on sale of fixed asset	-	(0.18)	(0.70)	(0.02)	(0.29)	(0.05)
Interest received	(0.96)	(3.27)	(0.26)	(2.63)	(0.67)	(0.55)
Movement in operating profit before working capital changes	**1,083.81**	**1,192.52**	**903.83**	**886.37**	**868.40**	**705.39**
Change in Working Capital						
(i)Inventory	(343.22)	(238.09)	(108.42)	(299.53)	(553.75)	(452.88)
(ii)Trade receivables	(100.25)	(214.87)	(103.88)	132.14	(416.09)	(540.14)
(iii)Loans & Advances and other receivables	(30.80)	(4.75)	17.31	40.73	(45.41)	(41.57)
(iv)Trade Payables	(442.22)	957.40	170.11	131.97	361.20	(31.95)
(v)Provisions and other payables	84.58	17.38	(14.03)	(125.68)	14.67	30.00
CASH GENERATED/(USED) IN OPERATING ACTIVITIES	**251.90**	**1,709.59**	**864.92**	**766.00**	**229.02**	**(331.15)**
Income Tax Paid	(165.32)	(114.77)	(68.84)	(124.42)	(134.11)	(108.85)
NET CASH GENERATED/(USED) IN OPERATING ACTIVITIES	**86.58**	**1,594.82**	**796.08**	**641.58**	**94.91**	**(440.00)**
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Fixed assets	(303.04)	(381.94)	(415.21)	(294.15)	(314.18)	(502.77)
Capital Work in progress	-	-	-	1.10	3.70	(4.80)
Sale of fixed assets	1.71	0.45	19.58	0.16	0.85	0.88
Acquisition of subsidiary	-	-	-	(105.10)	(19.14)	-
Interest Received	1.69	2.87	0.25	2.33	0.67	0.55
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES	**(299.64)**	**(378.62)**	**(395.38)**	**(395.66)**	**(328.10)**	**(506.14)**
CASH FLOWS FROM FINACING ACTIVITIES						
Proceeds from/(Repayment of) Long Term loans	20.10	(0.98)	40.70	26.84	0.99	(63.56)
Proceeds from/(Repayment of) working Capital loans	550.12	(705.66)	52.23	137.11	625.64	1,241.96
Proceeds from/(Repayment of) Public Deposits	-	-	-	(3.81)	(11.34)	(1.70)
Interest Paid	(352.09)	(450.01)	(471.03)	(412.99)	(343.08)	(222.57)
Dividend Paid (Including Dividend Distribution Tax)	(6.72)	(59.16)	(25.22)	(3.40)	(44.56)	(17.04)
NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES	**211.41**	**(1,215.81)**	**(403.32)**	**(256.25)**	**227.65**	**937.09**
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1.65)	0.39	(2.62)	(10.33)	(5.54)	(9.05)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23.70	23.31	25.93	19.96	25.50	34.55
On acquisition of subsidiary				16.30		
Cash and cash equivalents at end of period (Ref note: 19)	**22.05**	**23.70**	**23.31**	**25.93**	**19.96**	**25.50**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated consolidated summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

THE OFFER

Equity Shares Offered	
Offer of Equity Shares	Up to **[●]** Equity Shares, aggregating up to ₹[●] million
of which	
Fresh Issue[(1)]	Up to **[●]** Equity Shares, aggregating up to ₹450 million
Offer for Sale[(2)]	Up to 6,521,740 Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:	
A) QIB Portion[(3)(4)]	**[●]** Equity Shares
of which:	
(i) Anchor Investor Portion	**[●]** Equity Shares
of which:	
Available for allocation to Mutual Funds only	**[●]** Equity Shares
Balance available for allocation to all QIBs including Mutual Funds	**[●]** Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) ("**Net QIB Portion**")	**[●]** Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	**[●]** Equity Shares
(b) Balance for all QIBs including Mutual Funds	**[●]** Equity Shares
B) Non-Institutional Portion[(4)]	Not less than **[●]** Equity Shares
C) Retail Portion[(4)]	Not less than **[●]** Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	21,871,037 Equity Shares
Equity Shares outstanding after the Offer [(5)]	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 69 for information about the use of the Gross Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see "*Offer Procedure - Basis of Allotment*" on page 228.

(1) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 19, 2016 and by a special resolution of our Shareholders in their EGM dated September 22, 2016.

(2) Sukumar Srinivas has consented to participate in the Offer for Sale and to offer up to 816,252 Equity Shares in the Offer pursuant to a letter dated September 27, 2016. Fairwinds has consented to participate in the Offer for Sale and to offer up to 5,705,488 Equity Shares in the Offer pursuant to board resolution dated September 12, 2016. The Selling Shareholders, severally and not jointly confirm that 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 the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation

(3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders, 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 198.

(4) 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, the Selling Shareholders, the BRLMs and the Designated Stock Exchange.

(5) The post Offer Equity Share capital of our Company shall not exceed the authorised Equity Share capital of our Company.

GENERAL INFORMATION

Registered and Corporate Office of our Company

Shankara Building Products Limited
G2, Farah Winsford
No. 133, Infantry Road
Bengaluru 560 001
Karnataka, India

Corporate Identity Number: U26922KA1995PLC018990
Registration Number: 018990

For details in relation to changes in the Registered Office, see "*History and Certain Corporate Matters*" on page 109.

Address of the RoC

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

Registrar of Companies

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

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Sukumar Srinivas	Managing Director	01668064	490, 14th Main, 3rd Block, Koramangala, Bengaluru 560 034, Karnataka, India
V Ravichandar	Chairman and Non-Executive, Independent Director	00634180	17, Moyenville Road, Langford Town, Bengaluru 560 025, Karnataka, India
C Ravikumar	Executive Director	01247347	No. 13, 3rd Main Road, Maruthi Extension, Bengaluru 560 021, Karnataka, India
RSV Sivaprasad	Executive Director	01247339	Plot No. 163, Road No. 10, Venkat Rao Nagar, Kukatpally, Hyderabad 500 762, Telangana, India
Siddhartha Mundra	Non-Executive, Nominee Director	01173240	B/403, Building No. B, Raheja Heights, 239 Film City Road, Dindoshi, Malad (East), Next to Wagheshwari Mandir, Mumbai 400 097, Maharashtra, India
Jayashri Murali	Non-Executive, Independent Director	01284437	77 and 78, 6th Cross, Bhuvaneshwari Nagar, Hebbal, Dasarahalli, Bengaluru 560 024, Karnataka, India
Chandu Nair	Non-Executive, Independent Director	00259276	4, 4th Cross, Sterling Road, Nungambakkam, Chennai 600 034, Tamil Nadu

For further details of our Directors, see "*Our Management*" on page 120.

Company Secretary and Compliance Officer

Ereena Vikram
G2, Farah Winsford
No. 133, Infantry Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 4011 7777
Fax: +91 80 4111 9317
E-mail: cs@shankarabuildpro.com

Chief Financial Officer

Alex Varghese
G2, Farah Winsford

No. 133, Infantry Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2286 1345
Fax: +91 80 4111 9317
E-mail: alex@shankarabuildpro.com

Investor Grievances

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 may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

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

Book Running Lead Managers

IDFC Bank Limited
Naman Chambers, C – 32, G Block
Bandra Kurla Complex
Bandra (E), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
E-mail: shankara.ipo@idfcbank.com
Investor Grievance E-mail:
mb.ig@idfcbank.com
Website: www.idfcbank.com
Contact Person: Mangesh Ghogle/ Mohit Baser
SEBI Registration No.: MB/INM000012250

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4332 0600
Fax: +91 22 4332 0601
E-mail: shankara.ipo@equirus.com
Investor Grievance E-mail: investorsgrievance@equirus.com
Website: www.equirus.com
Contact Person: Swati Chirania/ Gaurav Phadke
SEBI Registration No: INM000011286

HDFC Bank Limited
Investment Banking Group
Unit No 401& 402, 4th floor, Tower B
Peninsula Business Park
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8015
Fax: +91 22 3078 8584
E-mail: shankara.ipo@hdfcbank.com
Investor Grievance E-mail: investor.redressal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Keyur Desai/ Rishi Tiwari
SEBI Registration No: INM000011252

Syndicate Members

Equirus Securities Private Limited
Unit No. 1201, 12th Floor, C Wing
Marathon Futurex, N.M. Joshi Marg
Lower Parel,
Mumbai 400013
Maharashtra, India
Tel:+79 6190 9595
Fax: +79 6190 9560
E-mail: jay.soni@equirus.com
Website: www.equirus.com
Contact Person: Jay Soni
SEBI Registration No.: INB231301731 (NSE Capital Market)/

HDFC Securities Limited
I Think Techno Campus Building-B
"Alpha", Office Floor 8, Opp. Crompton Greaves
Near Kanjurmarg Station Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Tel: +22 3075 0269
Fax: +22 3075 3435
E-mail: customercare@hdfcsec.com
Website: www.hdfcsec.com
Contact Person: Sharmila Kambli
SEBI Registration No.: INB231109431

INB011301737 (BSE Capital Market)

Sharekhan Limited
10th Floor, Beta Building
Lodha iThink Techno Campus
Off Jogeshwari-Vikhroli Link Road
Opposite Kanjurmarg Railway Station
Kanjurmarg (E), Mumbai 400 042
Maharashtra, India
Tel: +91 22 6115 0000
Fax: +91 22 6748 1899
E-mail: ipo@sharekhan.com
Website: www.sharekhan.com
Contact Person: Pravin Darji/Mehul Koradia
SEBI Registration No.: INB011073351 (BSE) /INB231073330 (NSE)

Legal Counsel to the Company and the Selling Shareholders

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

Legal Counsel to the BRLMs

Khaitan & Co.
Simal, 2nd Floor
7/1, Ulsoor Road
Bengaluru 560 042
Karnataka, India
Tel: +91 80 4339 7000
Fax: + 91 80 2559 7452

Statutory Auditors to the Company

Haribhakti & Co LLP
Chartered Accountants
5B, A Block, 5th Floor
Mena Kampala Arcade
18 & 20, Sir Thiagaraya Road, T Nagar
Chennai 600 017
Tamil Nadu, India
Tel: +91 44 2815 4192
Fax: +91 44 4213 2024
E-mail: sundararaman.s@dhc.co.in
Contact Person: S Sundararaman
Firm Registration Number: 103523W/ W100048

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: shankara.ipo@karvy.com
Website: https://karisma.karvy.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Escrow Collection Bank, Refund Bank and Public Issue Account Bank

HDFC Bank Limited
FIG-OPS Department – Lodha
I Think Techno Campus O-3 Level
Next to Kanjurmarg, Railway Station
Kanjurmarg (East), Mumbai 400 042
Maharashtra, India
Tel: +91 20 3075 2927/ 28/ 2914
Fax: +91 20 2579 9801

E-mail: vincent.dsouza@hdfcbank.com,
siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil
SEBI Registration No.: INBI00000063

Bankers to our Company

Citibank NA
2nd Floor, Citibank NA
2nd Floor, No. 5 MG Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 4144 6338
Fax: +91 80 67739693/ +91 80 2558 5828
E-mail: mohd.khaja.naseeruddin@citi.com
Website: www.citibank.co.in
Contact Person: Naseeruddin Mohd Khaja

IDBI Bank Limited
Specialised Corporate Branch
102 Shakthi Comfort Towers
KH Road, Bengaluru 560 027
Karnataka, India
Tel: +91 80 6712 1000/ +91 80 6712 1099
Fax: +91 80 2210 6134/ +91 80 2210 6133
E-mail: km.kishore@idbi.co.in
Website: www.IDBIBank.com
Contact Person: Kishore KM

IndusInd Bank
IndusInd Bank, Unit No. 101
Embassy Heights, B Block
Magrath Road, Next to Hosmat Hospital
Bengaluru 560 025
Karnataka, India
Tel: +91 80 4667 7344
Fax: +91 80 4667 7352
Email: giritharan.chinnan@indusind.com
Website: http://www.indusind.com/
Contact Person: Giritharan KC

Kotak Mahindra Bank Limited
22 MG Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 6176 3445
Fax: Nil
Email: anbuchelvi.ksl@kotak.com
Website: www.kotak.com
Contact Person: Anbuchelvi. Ksl

Standard Chartered Bank
Plot No. C-38 and 39
G Block, Bandra Kurla Complex
Bandra (East), Mumbai
Maharashtra, India
Tel: +91 22 2675 7234
Fax: +91 22 2675 7358
Email: aniruddha.verma@sc.com
Website: sc.com/in
Contact Person: Aniruddha Verma

Designated Intermediaries

Self Certified Syndicate Banks

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

Registered Brokers

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

RTAs

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and

contact details, is provided on the websites of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, Haribhakti & Co., LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated February 7, 2017 and the statement of tax benefits dated February 15, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Monitoring Agency

In terms of Regulation 16(1) of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency for the purposes of this Offer as the Fresh Issue size shall not exceed ₹5,000 million. As required under the Listing Regulations and Section 177 of the Companies Act, 2013, the Audit and Risk Management Committee constituted by the Board of Directors will monitor the utilisation of the proceeds of the Fresh Issue. We will disclose the utilisation of the proceeds of the Fresh Issue, including interim use, under a separate head in our Company's quarterly financial disclosures and annual financial information until the proceeds of the Offer remain unutilised, to the extent required under applicable laws and regulations

Appraising Entity

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

Credit Rating

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

Trustees

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

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 with relative components and formalities such as type of instruments, etc.	IDFC, Equirus, HDFC	IDFC
2.	Due diligence of Company's operations / management / business plans / legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including 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 finalization of Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	IDFC, Equirus, HDFC	IDFC
3.	Drafting and approval of all statutory advertisement	IDFC, Equirus, HDFC	IDFC
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3 above including media monitoring, corporate advertisement, brochure etc.	IDFC, Equirus, HDFC	Equirus
5.	Appointment of other intermediaries viz., Registrar's, Printers, Advertising Agency and Bankers to the Offer	IDFC, Equirus, HDFC	HDFC
6.	Preparation of road show presentation & FAQs	IDFC, Equirus, HDFC	HDFC
7.	International institutional marketing strategy • Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders • Finalizing roadshow schedule and investor meeting schedules	IDFC, Equirus, HDFC	Equirus
8.	Domestic institutions / banks / mutual funds marketing strategy • Finalize the list and division of investors for one to one meetings, in consultation with the Company and Selling Shareholders	IDFC, Equirus, HDFC	IDFC

Sr. No	Activity	Responsibility	Co-ordinator
	• Finalizing roadshow schedule and investor meeting schedules		
9.	Non-Institutional and Retail marketing of the Offer, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalize Media and PR strategy • Finalizing centers for holding conferences for press and brokers • Finalizing collection centres; • Finalizing and follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	IDFC, Equirus, HDFC	HDFC
10.	Co-ordination with Stock Exchanges for Book Building software, bidding terminals and mock trading.	IDFC, Equirus, HDFC	Equirus
11.	Coordination with Stock-Exchanges for payment of 1% security deposit through cash and bank guarantee	IDFC, Equirus, HDFC	Equirus
12.	Finalization of pricing and managing the book in consultation with the Company and the Selling Shareholders	IDFC, Equirus, HDFC	Equirus
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with Bankers to the Offer and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrar to the Offer, Bankers to the Offer, Self Certified Syndicate Banks etc. Including responsibility for underwriting arrangements, as applicable. The designated coordinating BRLM shall also be responsible for coordinating the redressal of investor grievances in relation to post Offer activities and coordinating with Stock Exchanges and SEBI for Release of 1% security deposit post closure of the Offer.	IDFC, Equirus, HDFC	HDFC
14.	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	IDFC, Equirus, HDFC	HDFC

Book Building Process

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 the minimum Bid Lot size for the Offer will be decided our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and the Bengaluru edition of the Kannada newspaper Vijayavani (Kannada being the regional language of Karnataka where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Offer Opening Date. 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;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants.

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

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

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. Each of the Selling Shareholders, severally and not jointly, confirm that such Selling Shareholder will comply

with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, to the respective portion of their respective Equity Shares offered in the Offer for Sale.

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

For further details on the method and procedure for Bidding, see "*Offer Procedure*" on page 198.

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

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 227.

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 intend to 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. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

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

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

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The underwriting arrangements mentioned above shall not apply to the applications by the ASBA Bidders in the Offer, except for ASBA Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

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

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	**AUTHORIZED SHARE CAPITAL**(1)		
	25,000,000 Equity Shares of face value of ₹10 each	250,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	21,871,037 Equity Shares	218,710,370	
C	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Fresh Issue of up to [●] Equity Shares aggregating to ₹450 million(2)	[●]	[●]
	Offer for Sale of upto 6,521,740 Equity Shares aggregating to ₹[●] million (3)	[●]	[●]
D	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	703,728,892	
	After the Offer	[●]	
E	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] 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 109.

(2) The Fresh Issue has been authorized by a resolution of our Board of Directors dated September 19, 2016 and a special resolution of our Shareholders in their Extraordinary General Meeting dated September 22, 2016.

(3) For details of authorisations received for the Offer for Sale, see "The Offer" on page 51. The Equity Shares being offered by each Selling Shareholder have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer under the SEBI ICDR Regulations.

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 (in ₹)
October 13, 1995	300	10	10	Cash	Initial subscription to the MOA(1)	300	3,000
October 23, 1995	49,700	10	10	Cash	Preferential allotment(2)	50,000	500,000
March 30, 1998	200,000	10	10	Cash	Preferential allotment (3)	250,000	2,500,000
March 30, 2000	250,000	10	10	Cash	Preferential allotment (4)	500,000	5,000,000
April 6, 2001	1,500,000	10	10	Other than cash	Preferential allotment (5)	2,000,000	20,000,000
February 26, 2002	2,500,000	10	10	Cash	Preferential allotment (6)	4,500,000	45,000,000
March 1, 2003	700	10	10	Cash	Preferential allotment (7)	4,500,700	45,007,000
October 15, 2003	2,800	10	10	Cash	Preferential allotment (8)	4,503,500	45,035,000
November 6, 2007	97,700	10	120	Other than cash	Preferential allotment (9)	4,601,200	46,012,000
November 12, 2007	9,662,520	10	N/A	Other than cash	Bonus issue in the ratio of 2.1:1(10)	14,263,720	142,637,200
March 8, 2011	6,049,937	10	105.16	Cash	Preferential allotment (11)	20,313,657	203,136,570
July 4, 2012	856,559	10	--	Cash*	Conversion of CCDs(12)	21,170,216	211,702,160
June 28, 2013	700,821	10	--	Cash*	Conversion of CCDs(13)	21,871,037	218,710,370

**Cash of ₹105.16 per CCD was paid at the time of allotment of the CCDs and each CCD was converted into one Equity Share*

(1) 100 Equity Shares were allotted to Sukumar Srinivas, 100 Equity Shares were allotted to Lalitha Neelakantan and 100 Equity Shares were allotted to Ammani Ammal

(2) 39,750 Equity Shares were allotted to Sukumar Srinivas, 6,050 Equity Shares were allotted to Ammani Ammal and 3,900 Equity Shares were allotted to Lalitha Neelakantan

(3) 200,000 Equity Shares were allotted to Sukumar Srinivas, in his capacity as a partner of Shankara Steels and Tubes on behalf of all the other partners

(4) 250,000 Equity Shares were allotted to Sukumar Srinivas, in his capacity as a partner of Shankara Steels and Tubes on behalf of all the other partners

(5) 750,000 Equity Shares allotted to Sukumar Srinivas and 750,000 Equity Shares allotted to Ammani Ammal pursuant to the terms of the deed of dissolution of the partnership Shankara Agencies, dated March 13, 2001 executed between our Company, Ammani Ammal and Sukumar Srinivas

(6) 2,500,000 Equity Shares allotted to Sukumar Srinivas

(7) 100 Equity Shares allotted to Kishore Sureshlal, 100 Equity Shares allotted to Sureshlal Hiralal, 100 Equity Shares allotted to Saw Shobadevi Suresh, 100 Equity Shares allotted to Srichand Muralidhar HUF, 100 Equity Shares allotted to Suresh Lal Hiralal HUF, 100 Equity Shares allotted to Damodar Bhatija HUF and 100 Equity Shares allotted to T Lakshmi Chand

(8) 100 Equity Shares were allotted to Hariram J, 100 Equity Shares were allotted to Jayesh Kothari, 100 Equity Shares were allotted to Prakash Chand, 100 Equity Shares were allotted to SJ Radhakrishna, 100 Equity Shares were allotted to Hemalatha, 100 Equity Shares were allotted to Bansilal F Uthaman HUF, 100 Equity Shares were allotted to Dilip R Parekh, 100 Equity Shares were allotted to Vinod B, 100 Equity Shares were allotted to Vinod B Bansilal, 100 Equity Shares were allotted to Suresh J, 100 Equity Shares were allotted to Neha M, 100 Equity Shares were allotted to Manak Bai, 100 Equity Shares were allotted to Ramesh Kumar, 100 Equity Shares were allotted to BSV Rao, 100 Equity Shares were allotted to Sampatharaj Kothari, 100 Equity Shares were allotted to Priyesh Kumar, 100 Equity Shares were allotted to Raju Kothari, 100 Equity Shares were allotted to Veena Kothari, 100 Equity Shares were allotted to Jayanthilal, 100 Equity Shares were allotted to Bansilal F, 100 Equity Shares were allotted to Preethi V, 100 Equity Shares were allotted to Rajendra M, 100 Equity Shares were allotted to Mani M Dhingeja, 100 Equity Shares were allotted to Alka R and 400 Equity Shares were allotted to Sukumar Srinivas

(9) 52,000 Equity Shares were allotted to Shankara Holdings and 45,700 Equity Shares were allotted to Sukumar Srinivas pursuant to the terms of the deed of dissolution of the partnership Shankara Steels and Tubes dated October 31, 2007 executed between our Company, Sukumar Srinivas and Shankara Holdings

(10) 9,539,250 Equity Shares were allotted to Sukumar Srinivas, 8,400 Equity Shares were allotted to C Ravikumar, 1,050 Equity Shares were allotted to RSV Sivaprasad, 1,050 Equity Shares were allotted to V Devanathan, 1,050 Equity Shares were allotted to LR Reddy, 1,050 Equity Shares were allotted to KG Kashinath, 1,050 Equity Shares were allotted to Vasantha Mohana, 420 Equity Shares were allotted to Alex Varghese and 109,200 Equity Shares were allotted to Shankara Holdings

(11) 6,049,937 Equity Shares were allotted to Fairwinds in the capacity of the trustee of Reliance PE Scheme I

(12) 856,559 Equity Shares were allotted to Fairwinds in the capacity of the trustee of Reliance PE Scheme I, pursuant to conversion of CCDs allotted to them on March 8, 2011 under the Fairwinds SA. For details see "History and Certain Corporate Matters – Summary of Key Agreements" on page 117

(13) 700,821 Equity Shares were allotted to Fairwinds in the capacity of the trustee of Reliance PE Scheme I, pursuant to conversion of CCDs allotted to them on March 8, 2011 under the Fairwinds SA. For details see "History and Certain Corporate Matters – Summary of Key Agreements" on page 117

(b) Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

2. Issue of Equity 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 59.

3. Issue of Shares for consideration other than cash

Our Company has not issued any Equity Shares or preference shares out of revaluation of reserves.

Except as set out below, we have not issued Equity Shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Benefit accrued to our Company
April 6, 2001	1,500,000	10	10	Allotment of Equity Shares upon dissolution of the partnership firm Shankara Agencies[(1)]	The Company acquired the assets and business of Shankara Agencies
November 6, 2007	97,700	10	120	Allotment of Equity Shares upon dissolution of the partnership firm Shankara Steels and Tubes[(2)]	The Company acquired the assets and business of Shankara Steels and Tubes
November 12, 2007	9,662,520	10	N/A	Bonus issue in the ratio of 2.1:1 [(3)]	-

(1) Equity Shares were allotted to the partners of Shankara Agencies, i.e., Sukumar Srinivas and Ammani Ammal pursuant to the terms of the deed of dissolution of partnership dated March 13, 2001 executed between our Company, Ammani Ammal and Sukumar Srinivas

(2) *Equity Shares were allotted to the partners of Shankara Steels and Tubes, i.e., Shankara Holdings and Sukumar Srinivas pursuant to the terms of the deed of dissolution of partnership dated October 31, 2007 executed between our Company, Sukumar Srinivas and Shankara Holdings*

(3) *Bonus shares were issued out of general reserves and surplus to the then existing shareholders of the Company*

4. History of the Equity Share Capital held by our Promoter

As on the date of this Red Herring Prospectus, our Promoter holds 13,336,250 Equity Shares, equivalent to 60.98% 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 Promoter since incorporation of our Company:

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 13, 1995	Initial subscription to the MOA	100	Cash	10	10	0.00*	[●]
October 23, 1995	Preferential allotment	39,750	Cash	10	10	0.18	[●]
February 12, 2001	Transfer of Equity Shares by Shankara Steels and Tubes	208,150	Cash	10	10	0.95	[●]
April 6, 2001	Preferential allotment	750,000	Other than cash	10	10	3.43	[●]
February 26, 2002	Preferential allotment	2,500,000	Cash	10	10	11.43	[●]
September 1, 2002	Transfer of Equity Shares by Ammani Ammal	998,000	Cash	10	10	4.56	[●]
October 15, 2003	Preferential allotment	400	Cash	10	10	0.00	[●]
November 7, 2005	Transfer of Equity Shares (1)	400	Cash	10	10	0.00	[●]
November 6, 2007	Preferential allotment	45,700	Other than cash	10	120	0.21	[●]
November 12, 2007	Allotment of shares pursuant to bonus issue in the ratio of 2.1:1	9,539,250	Other than cash	10	N/A	43.62	[●]
August 10, 2009	Transfer of Equity Shares(2)	(695,500)	Cash	10	10	(3.18)	[●]
January 12, 2012	Transfer of Equity Shares by P Srinivas Rao	6,500	Cash	10	10	0.03	[●]
July 4, 2012	Transfer of Equity Shares by G Anandam	6,500	Cash	10	10	0.03	[●]
December 11, 2012	Transfer of Equity Shares by K Adinarayanan	12,500	Cash	10	10	0.06	[●]
September 26, 2013	Transfer of Equity Shares by L Mutyalacharyulu	6,500	Cash	10	10	0.03	[●]
November 11, 2013	Transfer of Equity Shares by S Anjan Kumar	12,500	Cash	10	10	0.06	[●]
August 19, 2014	Transfer of Equity Shares by D Murali	6,500	Cash	10	10	0.03	[●]
September 29, 2014	Transfer of Equity Shares to Dhananjay Mirlay Srinivas	(1,000)	Cash	10	10	(0.00)	[●]
July 30, 2016	Transfer of Equity Shares to Parwathi S. Mirlay	(100,000)	--	10	Nil	(0.46)	[●]
Total		**13,336,250**				**60.98**	**[●]**

**Less than 0.01%*

(1) 100 Equity Shares were transferred by Veena Kothari, 100 Equity Shares were transferred by Priyesh Kumar, 100 Equity Shares were transferred by Bansi Lal HUF and 100 Equity Shares were transferred by Ramesh Kumar.

(2) 6,500 Equity Shares were transferred to DK Chinappa, 6,500 Equity Shares were transferred to N Srinivas Murthy, 6,500 Equity Shares were transferred to GA Prabhakar Sharma, 12,500 Equity Shares were transferred to S Anjan Kumar, 4,000 Equity Shares were transferred to KM Madegowda, 6,500 Equity Shares were transferred to N Venkatesh, 6,500 Equity Shares were transferred to Praveen Sheth, 6,500 Equity Shares were transferred to S Ranjith Kumar, 12,500 Equity Shares were transferred to Narendra Thakur, 6,500 Equity Shares were transferred to Avinash Mayya, 6,500 Equity Shares were transferred to R Shankar, 20,000 Equity Shares were transferred to N Tamilalagan, 20,000 Equity Shares were transferred to C Jaiprakash, 6,500 Equity Shares were transferred to S Prashanth, 40,000 Equity Shares were transferred to V Devanathan, 4,000 Equity Shares were transferred to N Somasundaram, 4,000 Equity Shares were transferred to P Dhinakaran, 6,500 Equity Shares were transferred to S Vijayakumar, 6,500 Equity Shares were trasferred to T Arun Kumar, 4,000 Equity Shares were transferred to KV Madhusuthan Bhatt, 40,000 Equity Shares were transferred to KG Kashinath, 12,500 Equity Shares were transferred to K Rajesh, 4,000 Equity Shares were transferred to PV Rames, 4,000 Equity Shares were transferred to MS Subramaniam, 20,000 Equity Shares were transferred to Alex Varghese, 12,500 Equity Shares were transferred to Parag M Bhatt, 12,500 Equity Shares were transferred to A Achuthan Kutty, 12,500 Equity Shares were transferred to Muralidhar B Raichur, 25,000 Equity Shares were transferred to LR Reddy, 4,000 Equity Shares were transferred to YS Naidu, 6,500 Equity Shares were transferred to L Mutyalacharyulu, 4,000 Equity Shares were transferred to BS Narasimhan, 12,500 Equity Shares were transferred to S Sreedhar, 4,000 Equity Shares were transferred to Sharad Sarode, 6,500 Equity Shares were transferred to Vishnu Narasappa, 6,500 Equity Shares were transferred to TN Muralidharan, 4,000 Equity Shares were transferred to V Manjunath, 4,000 Equity Shares were transferred to Shivaraj, 6,500 Equity Shares were transferred to M Girish, 12,500 Equity Shares were transferred to V Vasantha Mohana, 4,000 Equity Shares were transferred to Rajesh, 6,500 Equity Shares were transferred to PR Upadhyaya, 60,000 Equity Shares were transferred to C Ravikumar, 12,500 Equity Shares were transferred to PN Kumar, 6,500 Equity Shares were transferred to S Srinivas, 6,500 Equity Shares were transferred to D Murali, 12,500 Equity Shares were transferred to G Murali, 12,500 Equity Shares were transferred to G Suresh Kumar, 6,500 Equity Shares were transferred to S Mahesh, 6,500 Equity Shares were transferred to V Mahatma, 6,500 Equity Shares were transferred to G Anandam, 6,500 Equity Shares were transferred to P Muthyalu, 6,500 Equity Shares were transferred to G Ramesh, 6,500 Equity Shares were transferred to R Balaji, 6,500 Equity Shares were transferred to Manikantan, 6,500 Equity Shares were transferred to PG Sajith, 6,500 Equity Shares were transferred to T Venugopal, 20,000 Equity Shares were transferred to MP Jayagopal, 12,500 Equity Shares were transferred to K Adinarayanan, 60,000 Equity Shares were transferred to RSV Sivaprasad, 4,000 Equity Shares were transferred to M Suriya Gandhi, 6,500 Equity Shares were transferred to E Karthikeyan, 6,500 Equity Shares were transferred to P Srinivasa Rao.

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoter has confirmed to our Company and the BRLMs that the Equity Shares held by our Promoter which shall be locked-in for three years as Promoters' contribution have been financed from his internal accruals and no loans or financial assistance from any bank or financial institution have been availed by him for this purpose. Further, as on the date of this Red Herring Prospectus our Promoter has not pledged any of the Equity Shares that he holds in our Company.

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

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
Promoter		
Sukumar Srinivas	13,336,250	60.98
Total Holding of the Promoter (A)	**13,336,250**	**60.98**
Promoter Group		
Dhananjay Mirlay Srinivas	60,550	0.28
Parwathi S. Mirlay	100,000	0.46
Shankara Holdings	161,200	0.74
Total holding of the Promoter Group (other than Promoter) (B)	**321,750**	**1.47**
Total Holding of Promoter and Promoter Group (A+B)	**13,658,000**	**62.45**

(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 Promoter shall be locked in for a period of three years as minimum promoters' contribution 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 Red Herring Prospectus, our Promoter, Sukumar Srinivas holds 13,336,250 Equity Shares, out of which upto 816,252 Equity Shares held by our Promoter will be offered under

the Offer for Sale. Accordingly, the remaining Equity Shares held by our Promoter are eligible to form part of promoters' contribution.

(iii) Details of the Equity Shares to be locked-in for three years as minimum promoters' contribution are as follows:

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

Note: To be updated at the Prospectus stage

(iv) The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the person 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 Promoter's contribution in terms of Regulation 33 of SEBI ICDR Regulations.

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

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

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

- The Equity Shares forming part of the Promoter's contribution are not pledged with any creditor; and

- All the Equity Shares held by the Promoter are in dematerialized form.

(d) *Other lock-in requirements:*

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except (i) the Equity Shares being offered and Allotted in the Offer as part of the Offer for Sale; and (ii) Equity Shares held by Fairwinds after the Offer, in the capacity of trustee of Reliance PE Scheme I, under the VCF route. However, Fairwinds, in the capacity of trustee of Reliance PE Scheme I has undertaken that it shall not, without the prior written consent of the BRLMs, sell, transfer, charge, pledge or otherwise encumber any Equity Shares held by it after the Offer, for a period of 30 days from the date of Allotment.

(ii) The Equity Shares held by our Promoter 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.

(iii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which are locked-in for a period of three years 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 the loan has been

granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of the loan.

(iv) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter 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.

(v) The Equity Shares held by persons other than our Promoter 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 continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(vi) 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.

5. Build-up of Fairwinds' shareholding in our Company

As on the date of this Red Herring Prospectus, Fairwinds holds 7,346,450 Equity Shares, constituting 33.59% of the issued, subscribed and paid-up Equity Share capital of our Company.

The build-up of the Equity shareholding of Fairwinds in our Company is as follows:

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 (%)
Fairwinds							
March 8, 2011	Allotment of Equity Shares	6,049,937	Cash	10	105.16	27.66	[●]
July 4, 2012	Conversion of CCDs	856,559	Cash*	10	--	3.92	[●]
June 28, 2013	Conversion of CCDs	700,821	Cash*	10	--	3.20	[●]
March 2, 2017	Transfer (1)	(260,867)	Cash	10	460.00	(1.19)	[●]
Total		**7,346,450**				**33.59**	[●]

* *Cash of ₹105.16 per CCD was paid at the time of allotment of the CCDs, and each CCD was converted into one Equity Share*

(1) Transfer of 111,956 Equity Shares to Unifi Financial Private Limited, 54,347 Equity Shares to Raena Reddy, 52,173 Equity Shares to Anya Reddy and 42,391 Equity Shares to IRIS Realty Private Limited

6. Key details in relation to Reliance PE Scheme I are as follows:

(i) SEBI Registration: Reliance PE Scheme I is registered with SEBI as a venture capital fund with registration number IN/VCF/05-06/077

(ii) Details of sponsors: Reliance PE Scheme I was formed with the Reliance group (Anil Dhirubhai Ambani) as the sponsor, with Fairwinds and FAML being wholly owned subsidiaries of Reliance Capital Limited, a Reliance group company. Post transfer of the ownership of Fairwinds and FAML by Reliance Capital Limited to the current management team in the year 2014, Reliance PE Scheme I has been operating independently in its investment, divestment and other decisions

(iii) Details of trustees: Fairwinds is the trustee of Reliance PE Scheme I

(iv) Details of manager: Reliance PE Scheme I is managed by FAML, an independent asset management company

(v) Details of assets under management: Reliance PE Scheme I has an aggregate commitment of ₹9,267.6 million

(vi) Action taken by SEBI or Stock Exchanges: No action has been taken by SEBI or the Stock Exchanges against Reliance PE Scheme I, Fairwinds or FAML

(vii) Litigation against the Selling Shareholder: There is no litigation restricting Reliance PE Scheme I from selling its shareholding in the Company

7. Shareholding Pattern of our Company

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	4	13,658,000	0	0	13,658,000	62.45	13,658,000	13,658,000	62.45	0	62.45	0		0		13,658,000
(B)	Public	57	8,213,037	0	0	8,213,037	37.55	8,213,037	8,213,037	37.55	0	37.55	0		0		7,607,317
(C)	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C2)	Shares held by employee trusts	0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total	**61**	**21,871,037**	**0**	**0**	**21,871,037**	**100.00**	**21,871,037**	**21,871,037**	**100.00**	**0**	**100.00**	**0**		0		**21,265,317**

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

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Capital (%)
1.	Sukumar Srinivas	13,336,250	60.98
2.	Fairwinds	7,346,450	33.59
3.	Shankara Holdings	161,200	0.74
4.	Unifi Financial Private Limited	111,956	0.51
5.	Parwathi S. Mirlay	100,000	0.46
6.	C Ravikumar	72,400	0.33
7.	RSV Sivaprasad	61,550	0.28
8.	Dhananjay Mirlay Srinivas	60,550	0.28
9.	Raena Reddy	54,347	0.25
10.	Anya Reddy	52,173	0.24
	Total	**21,356,876**	**97.66**

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Capital (%)
1.	Sukumar Srinivas	13,336,250	60.98
2.	Fairwinds	7,346,450	33.59
3.	Shankara Holdings	161,200	0.74
4.	Unifi Financial Private Limited	111,956	0.51
5.	Parwathi S. Mirlay	100,000	0.46
6.	C Ravikumar	72,400	0.33
7.	RSV Sivaprasad	61,550	0.28
8.	Dhananjay Mirlay Srinivas	60,550	0.28
9.	Raena Reddy	54,347	0.25
10.	Anya Reddy	52,173	0.24
	Total	**21,356,876**	**97.66**

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

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Capital (%)
1.	Sukumar Srinivas	13,436,250	61.43
2.	Fairwinds	7,607,317	34.78
3.	Shankara Holdings	161,200	0.74
4.	C Ravikumar	72,400	0.33
5.	RSV Sivaprasad	61,550	0.28
6.	KG Kashinath	41,550	0.19
7.	V Devanathan	41,550	0.19
8.	LR Reddy	26,550	0.12
9.	Alex Varghese	20,620	0.09
10.	N Tamilalagan	20,000	0.09
11.	MP Jayagopal	20,000	0.09
12.	C Jaiprakash	20,000	0.09
	Total	**21,528,987**	**98.43**

9. Details of Equity Shares held by the Directors and Key Management Personnel of our Company

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

Sl. No.	Name	No. of Equity Shares	Percentage of the pre-Offer share capital (%)	Percentage of the post-Offer share capital (%)
1.	Sukumar Srinivas	13,336,250	60.98	[●]
2.	C Ravikumar	72,400	0.33	[●]
3.	RSV Sivaprasad	61,550	0.28	[●]

(ii) For details of the shareholding of Key Management Personnel, see "*Our Management – Shareholding of Key Management Personnel*" on page 133.

(iii) Except as stated below, none of our Promoter Group members hold any Equity Shares in our Company as on the date of this RHP:

Sl. No.	Name	No. of Equity Shares	Percentage of the pre-Offer share capital (%)	Percentage of the post-Offer share capital (%)
1.	Shankara Holdings	161,200	0.74	[●]
2.	Parwathi S Mirlay	100,000	0.46	[●]
3.	Dhananjay Mirlay Srinivas	60,550	0.28	[●]

10. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.

11. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

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

13. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us, or our Promoter to the persons who are Allotted Equity Shares.

14. Our Company, does not have an employee benefit scheme existing as on the date of this Red Herring Prospectus.

15. Except for the following transfers, none of the members of our Promoter Group, our Promoter, or our Directors and their immediate relatives have purchased or sold any securities of the Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI:

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Shares (₹) unless otherwise stated	Aggregate Consideration (in ₹) unless otherwise stated	Percentage (%) of the pre-Offer capital
LR Reddy	Dhananjay Mirlay Srinivas	July 20, 2016	26,550	10	265,500	0.12
G Murali	Dhananjay Mirlay Srinivas	July 20, 2016	12,500	10	125,000	0.06
Sukumar Srinivas	Parwathi S. Mirlay	July 30, 2016	100,000	Nil	Nil	0.46

16. As of the date of the filing of this Red Herring Prospectus, the total number of our Shareholders is 61.

17. Neither our Company nor our Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

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

19. 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.

20. Except for the sale of Equity Shares in the Offer for Sale by our Promoter, our Promoter Group and Group Companies will not participate in the Offer.

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

22. 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: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Red Herring Prospectus and as will be disclosed in the Prospectus, provided they have been approved by our Board.

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 accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

24. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spill over from any category or combination thereof.

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

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

27. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this 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.

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

29. 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 Red Herring Prospectus.

30. The post Offer Equity Share capital of our Company shall not exceed the authorised Equity Share capital of our Company.

OBJECTS OF THE OFFER

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

Offer for Sale

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

Requirement of funds

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

1. Repayment or pre-payment of loans of our Company; and
2. General corporate purposes (collectively, referred to 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 Fresh Issue are summarised in the table below:

Particulars	Amount (in ₹million)
Gross Proceeds of the Fresh Issue	450.00
(Less) Fresh Issue related expenses[(1)(2)]	[●]
Net Proceeds	**[●]**

(1) To be finalised upon determination of the Offer Price

(2) The fees and expenses relating to the Offer shall be shared between the Company and the respective Selling Shareholders as mutually agreed, in accordance with applicable law

Requirement of funds and utilization of Net Proceeds

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

Particulars	Amount (in ₹million)
Repayment or pre-payment of loans	340.00
General corporate purposes[(1)]	[●]
Total Net Proceeds	[●]

(1) To be finalised upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The fund requirements for the Objects are based on management estimates and financing and other agreements entered into by our Company and have not been appraised by any bank or financial institution. In case of a shortfall of Net Proceeds, our management may explore alternate means for such repayment or prepayment (as the case may be), including utilization of internal accruals or further debt financing. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of various factors such as our financial condition, business and strategy as well as external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of our management, subject to compliance with Sections 13(8) and 27 of the Companies Act, 2013.

Schedule of deployment of Net Proceeds

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

(in ₹million)

Particulars	Amount to be funded from the Net Proceeds[(1)]	Estimated utilisation of Net Proceeds in Financial Year 2018
Repayment or pre-payment of loans	340.00	340.00
General corporate purposes[(1)]	[●]	[●]
Total	[●]	[●]

(1) To be finalized upon determination of the Offer Price

Means of finance

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

Details of the Objects of the Fresh Issue

1. **Repayment or pre-payment of loans of our Company**

Our Company has entered into financing arrangements with various banks and financial institutions in the form of long term and short term borrowings. Arrangements entered into by our Company, include borrowings in the form of secured loans, unsecured loans, long term facilities and short term facilities. For details of these financing arrangements including the terms and conditions, see "*Financial Indebtedness*" on page 170. As on December 31, 2016, the amounts outstanding from the loan agreements entered into by our Company were ₹2,797 million.

Our Company intends to utilize ₹340 million from the Net Proceeds towards partial repayment or pre-payment of working capital facility availed from IDBI bank by the Company. We believe that such repayment or pre-payment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment 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.

The selection of the aforementioned facility proposed to be repaid or pre-paid is based on various factors, including (i) conditions attached to the borrowings restricting our ability to pre-pay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (ii) terms and conditions of consents and waivers, (iii) levy of any pre-payment penalties and the quantum thereof, (iv) provisions of any laws, rules and regulations governing the borrowings, and (v) other commercial considerations including, among others, the interest rate on the loan facilities, the amount of the loan outstanding and the remaining tenor of the loans.

Payment of pre-payment penalty or premium, if any, shall be made out of the Net Proceeds. In the event that the Net Proceeds are insufficient for such pre-payment penalty, the payment shall be made from the existing internal accruals of our Company. We may also be required to provide notice prior to such repayment/ pre-payment.

The following table provides details of the working capital facility availed by our Company which is proposed to be repaid/ pre-paid from the Net Proceeds:

Sr. No.	Name of the lender	Type of facility	Particulars of documentation*	Interest Rate (% per annum)	Purpose	Repayment Schedule	Prepayment Penalty/ Conditions	Amount Sanctioned (in ₹ million)	Amount outstanding as on December 31, 2016 (in ₹million)
1.	IDBI Bank Limited	Cash credit limit	Latest sanction letter dated August 3, 2016 and facility agreement dated June 5, 2008	12.15	Working capital purpose	Repayable on demand	The Company may pre-pay the outstanding principal amounts of the facility in full or in part, before the due dates after obtaining the prior approval of the lender (which may be granted subject to such conditions as the bank may deem fit including payment of premium for such repayment)	700.00	616.67
								700.00	**616.67**

**Our Company has also executed security documents including hypothecation agreement and undertakings as per the loan agreement/ sanction letter for the purpose of securing the loan availed. Further, our Promoter has also issued a personal guarantee as per the loan agreement/ sanction letter, to secure the loan availed.*

Given the nature of these borrowings and the terms of repayment or 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 repaid or pre-paid or further drawn-

down prior to the completion of the Offer, we may utilize Net Proceeds towards repayment or pre-payment of such additional indebtedness.

As per the certificate dated February 28, 2017 issued by Venkat & Vasan, Chartered Accountants, the above facilities have been utilised for the purposes for which they were sanctioned.

2. **General corporate purposes**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Fresh Issue, in compliance with Regulation 4(4) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include brand building and marketing efforts, acquisition of fixed assets, meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, short term working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

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

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

Bridge financing facilities

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

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 and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Banker to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer shall be shared between our Company and the Selling Shareholders as mutually agreed, in accordance with applicable law. The Selling Shareholders shall reimburse our Company for the expenses incurred by our Company in relation to their respective Equity Shares offered in the Offer for Sale. The break-up for the estimated Offer expenses are as follows:

Activity	Amount [(1)] (₹in million)	As a % of total estimated Offer related expenses[(1)]	As a % of Offer size[(1)]
Payment to the BRLMs (including underwriting commission, brokerage, selling commission and bidding fees) and brokerage and selling commission, processing/uploading charges to Syndicate Members, RTAs and CDPs [(2)]	[●]	[●]	[●]
Selling commission for Registered Brokers [(3)]			
Commission and processing fees for SCSBs[(2)(4)]	[●]	[●]	[●]
Fees payable to Registrar to the Offer, legal counsels, auditors and other advisors	[●]	[●]	[●]
Others: i. SEBI, BSE and NSE processing fees, other regulatory expenses and listing fees; ii. Printing and stationery expenses; iii. Advertising and marketing expenses; and iv. Miscellaneous.	[●]	[●]	[●]

Activity	Amount [(1)] (₹in million)	As a % of total estimated Offer related expenses[(1)]	As a % of Offer size[(1)]
Total estimated Offer expenses	[●]	[●]	[●]

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

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

- *Portion for Retail Individual Bidders: 0.35% of the Amount Allotted**
- *Portion for Non-Institutional Bidders: 0.20% of the Amount Allotted**

(3) Registered Brokers will be entitled to a commission of ₹10 per every valid ASBA Form directly procured by such Registered Broker and uploaded on the electronic bidding system of the Stock Exchanges

(4) SCSBs will be entitled to a processing fee of ₹10 per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs

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

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

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 the Net Proceeds through its Audit and Risk Management Committee.

Pursuant to the Listing Regulations, our Company shall disclose to the Audit and Risk Management Committee the uses and application of the Net Proceeds, on a quarterly basis. The Audit and Risk Management Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit and Risk Management Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above and details of category wise variation in the actual 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 submission of such information to the Stock Exchanges, after placing the same before the Audit and Risk Management 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 ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act, 2013. The 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 Office and Corporate Office is situated. Our Promoter will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price and in such manner as prescribed in chapter VI-A of the SEBI ICDR Regulations.

Other confirmations

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

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the 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 Face Value at the lower end of the Price Band and [●] times the Face Value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 90, 15 and 142, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

- Providing our customers a unique experience by offering a comprehensive range of home improvement and building products;
- Our strong vendor network and relationship built over two decades;
- Our presence across the entire value chain;
- Robust back-end infrastructure ensuring efficient supply chain management;
- Strong track record and financial stability; and
- Experienced and dedicated management team.

For details, see "*Our Business – Competitive Strengths*" on page 91.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements 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 142.

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"), as restated:

On a standalone basis:

Financial Year ended	Basic		Diluted	
	EPS (in₹)	Weight	EPS (in ₹)	Weight
March 31, 2014	8.84	1	8.84	1
March 31, 2015	1.94	2	1.94	2
March 31, 2016	5.02	3	5.02	3
Weighted Average	**4.63**		**4.**63	
For the nine months period ended December 31, 2016*	6.28		6.28	

** Not annualized*

On a consolidated basis:

Financial Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2014	13.13	1	13.13	1
March 31, 2015	10.32	2	10.32	2
March 31, 2016	18.90	3	18.90	3
Weighted Average	**15.08**		**15.08**	
For the nine months period ended December 31, 2016*	19.00		19.00	

** Not annualized*

Note:

1. *Earning per share (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.*
2. *The ratios have been computed as below:*
   a. *Basic earnings per share = Restated profit after tax attributable to equity shareholders for the year/weighted average number of shares outstanding during the year;*
   b. *Diluted earnings per share = Restated profit after tax attributable to equity shareholders for the year after adjusting the earnings for potential equity shares/weighted average number of diluted shares outstanding during the year*

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

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS as per the Restated Standalone Financial Statements for the year ended March 31, 2016	[●]	[●]
Based on basic EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2016	[●]	[●]
Based on diluted EPS as per the Restated Standalone Financial Statements for the year ended March 31, 2016	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2016	[●]	[●]

C. Industry Peer Group P/E ratio

Not Applicable, as there are no listed entities similar to our line of business and comparable to our scale of operations.

D. Return on Net Worth ("RoNW")

As per Standalone Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2014	8.89	1
March 31, 2015	1.94	2
March 31, 2016	4.85	3
Weighted Average	**4.55**	
For the nine months period ended December 31, 2016*	5.72	

** Not annualized*

As per consolidated Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2014	12.30	1
March 31, 2015	8.92	2
March 31, 2016	14.22	3
Weighted Average	**12.13**	
For the nine months period ended December 31, 2016*	12.51	

** Not annualized*

Note:

1. *Return on net worth (%) = Restated profit after tax attributable to equity shareholders for the year / net worth as at the end of year*
2. *Net worth represents sum of share capital and reserves and surplus (securities premium, capital reserve, general reserve and surplus)*

E. Minimum Return on Increased Net Worth after Offer, needed to maintain Pre-Offer EPS for the year ended March 31, 2016

Particulars	At Floor Price	At Cap Price
To maintain pre-Offer basic EPS		
As per Restated Standalone Financial Statements	[●]%	[●]%
As per Restated Consolidated Financial Statements	[●]%	[●]%
To maintain pre-Offer diluted EPS		
As per Restated Standalone Financial Statements	[●]%	[●]%
As per Restated Consolidated Financial Statements	[●]%	[●]%

F. Net Asset Value ("NAV") per Equity Share of face value of 10 each

Financial year ended	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements (₹)
As on March 31, 2016	103.44	132.87
As on December 31, 2016	109.73	151.87
Offer Price	[●]	[●]

Financial year ended	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements (₹)
After the Offer	[●]	[●]

Note:
1. Net asset value = Net Worth /Number of equity shares outstanding at the end of the year/period

G. Comparison with Listed Industry Peers

Not applicable, as there are no comparable peer companies similar to our line of business and comparable to our scale of operations.

Relevant market indices:

Market Index	PE ratio as on March 10, 2017
Nifty Full Smallcap 100	80.99
S&P BSE Smallcap	64.44

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

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

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 15, 90, 150 and 142, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Shankara Building Products Limited
(formerly known as Shankara Infrastructure Materials Limited)
G-2, Farah Winsford, #133
Infantry Road, Bengaluru – 560 001
Karnataka, India

Dear Madam(s) / Sir(s),

Sub: Statement of possible Special Tax Benefits (the 'Statement') available to Shankara Building Products Limited (formerly known as Shankara Infrastructure Materials Limited) and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ('the Regulations')

We hereby confirm that the enclosed annexure, prepared by Shankara Building Products Limited (formerly known as Shankara Infrastructure Materials Limited) ('the Company') states the possible special tax benefits available to the Company and its shareholders under the provision of the Income Tax Act, 1961 presently in force in India, for the Financial Year 2016-17 (Assessment year 2017-18). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on the business imperative, that the Company faces in the future, the Company may or may not choose to fulfill.

The amendments made by the Finance Act, 2016 have been incorporated to the extent relevant in the enclosed Annexure.

The benefits discussed in the enclosed Annexure cover only Special Tax benefits and do not cover general tax benefits. Further, the preparation of the contents stated is the responsibility of the Company's management. We are informed that annexure is only intended to provide general information to the investors and hence it is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his/ her/ their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable have been or would be met with;
- The revenue authorities/ courts will concur with views expressed herein

The contents of this Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. The certificate is based on the existing provisions of tax laws and its interpretations, which are subject to amendments every fiscal year and changes from time to time. We do not assume responsibility to update the changes.

This report is intended solely for your information and for inclusion in the Offer Documents in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose without prior written consent.

For Haribhakti & Co LLP
Chartered Accountants
ICAI Firm Registration No: 103523W/W100048

S. Sundararaman
Partner
Membership No. 028423
Place: Bengaluru
Date: February 15, 2017

Encl: Annexure

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 ('the Act')

1.0 Special Tax Benefits available to the Company & its Subsidiaries under the Act:

There are no special Tax benefits available to the Company & its subsidiaries under the Act.

2.0 Special Tax Benefits available to the shareholders of the Company under the Act:

There are no special Tax Benefits available to the shareholders of the Company.

Notes

The above Statement of Possible Special Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless stated otherwise, the information in this section is derived from the report titled "Assessment of Housing and Building Material Industry in India, September 2016" dated September 26, 2016 read alongwith the addendum dated February 3, 2017 ("**CRISIL Report**"), and also as well as includes extracts from publicly available information, data and statistics. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision, on this information.*

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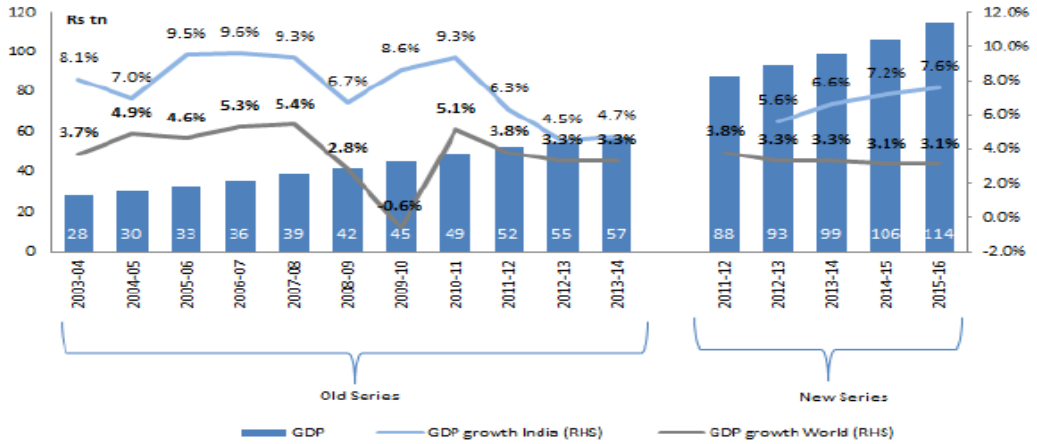
Indian Economy

India ranked as the 7th largest economy in the world with a GDP of US$ 2,073,543 million for 2015. (*Source: World Development Indicators database, World Bank, July 22, 2016 - http://databank.worldbank.org/data/download/GDP.pdf)*

As per the revised estimates released by the Central Statistical Organization on May 31, 2016, India's GDP grew as estimated, at 7.6% in Fiscal 2016 (new base year 2011-12 adopted for calculation of GDP).



Note: World GDP growth calculation is based on calendar year while that of India is based on Financial Year
Source: Central Statistical Organisation, International Monetary Fund, CRISIL Research

Impact of demonetisation on GDP growth

GDP growth in the first half of Fiscal 2017 was 7.2% compared with 7.5% in the same period of Fiscal 2016. After demonetisation, the same is expected to be reasonably lower in the second half. The channels through which demonetisation will work on GDP are broadly understood, but the extent of impact will depend on the time taken to get the cash floating back through the economy as before. The problem gets compounded because of a preponderance of cash transactions in the huge informal sector, which cannot be accurately measured or monitored. We believe the cash crunch will impact private consumption demand (55% of GDP) directly, and cull GDP growth in the third and fourth quarters of the current fiscal. Assuming it will take a couple of months to normalise, post the demonetisation, CRISIL Research expects the GDP growth rate to come down by 100 basis points to 6.9% in fiscal 2017. The jolt to demand will also pull inflation down. We now expect the Consumer Price Index (CPI)-based inflation to print lower at 4.7% compared with our earlier forecast of 5%. (Source: CRISIL Report)

The primary and immediate channel for deceleration would be the slowdown in consumption demand. India is largely a cash-based economy. According to a 2013 report (1 N Joseph, R Korenke, B D Mazzotta and B Chakravorti, 'Cash Outlook: India', IBGC Working Paper 13-01, The Institute for Business in the Global Context, The Fletcher School, Tufts University), the value of cash transactions in India as a percentage of total consumer payments was approximately 86% in 2012. This number might have come down in last few years led by some pick-up in electronic transactions, but would still be significantly high.

Private consumption, at around 55%, is the biggest contributor to India's GDP. While it is difficult to quantify the exact impact of demonetisation, directionally it would be negative in the short run and if businesses do not return to normalcy, the slowdown may spill over to the next fiscal year because of a delay in private investments.

While ongoing investments might not slow down, fresh investment plans may be deferred if private consumption doesn't pick up and uncertainty continues, which, in turn, would further delay the much-needed recovery in India's private investment cycle.

On the whole, GDP growth in the second half would be lower than in the first, and we scale down our real GDP growth projection for the current fiscal to 6.9% from 7.9% earlier.

Indian Demographics

According to the United Nations Population Fund's State of the World Population report, released in 2014, India had 356 million people in the 10-24 year age group, nearly 87 million more than in China. According to a report published by the IRIS Knowledge Foundation in collaboration with UN HABITAT in Fiscal 2013, 64% of India's population will be in the working age group by 2020.

India's per capita income grew at a healthy rate in the three years to 2015-16. It rose 7.3% to ₹93,293 in Fiscal 2016 from ₹ 86,879 in Fiscal 2015, and ₹79,412 and ₹71,050 in Fiscals 2014 and 2013 respectively (Base year 2011-12). In real terms, per capita income is estimated to have grown by 6.2% in Fiscal 2016 compared with 5.8% in the preceding Fiscal. This buoyant trend in per capita income is expected to continue in the long term. In Fiscal 2017, and in the short to medium term, disposable income will rise as a result of the government's acceptance of the Seventh Pay Commission's recommendations and the One Rank One Pension scheme, and sustained low inflation. This will facilitate increase in domestic consumption.

Housing industry in India

The current size of the real estate industry (inclusive of residential, commercial, retail, hospitality and educational projects) in India is estimated in the range of ₹8.5 - 9.0 trillion (2015-16). The housing real estate industry accounted for about 80% of the total real estate industry at about ₹7-7.5 trillion, the balance being contributed by commercial, retail, hospitality and educational projects. Within the housing industry, the share of building materials is estimated at approximately 45%, which translates to ₹3.2-3.4 trillion in value terms. The key factors that will drive the housing demand are as follows:

Housing demand tracks population growth

Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected to increase approximately 10%-12% to 1.3-1.4 billion, which will see housing demand touch 283-287 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

Urbanisation

Housing demand will primarily come from urban areas. As migration from rural areas to cities continues for several reasons, including for better job opportunities and education, the share of urban population in the urban-rural mix, which stood at about 31% in 2011, is expected to expand to nearly 35%-37% by 2020.

Tax incentives

The government has used tax regulations to promote the housing sector, including i) providing interest subsidy of 6.5% for loans up to ₹6 lakh, 4% for loans up to ₹9 lakh and 3% for loans up to ₹12 lakh under Pradhan Mantri Awas Yojana ; ii) tax incentives for annual interest payment up to ₹2 lakh (₹3 lakh for senior citizens) on housing loan; iii) deduction of principal repayment limit of upto ₹1.5 lakh on home loan under Section 80C of the Income Tax Act, 1961; and iv) holding period for immovable assets, including residential property, reduced from three to two years; for long-term capital gains, indexation year changed from 1981 to 2001 and exemption in capital gains accruing from transfer of residential property, if invested in acquiring/constructing a residential building within two/three years.

Growth in government investments towards housing segment in the recent five year plans

Over the last decade, the economy has witnessed turbulent cycles including a major slowdown in 2008. While each subsequent five year plan was based on the actual versus budgeted comparison (of the previous plan), the policy direction were linked to the local and global macro-economic scenarios. Over the last three five year plans, the total allocation/ budgetary outlay have grown by more than five times (between the tenth and twelfth five year plan). During the same period, the share of housing and urban development has improved from 7% to 10% clearly highlighting government's focus on housing and urban development segment.

(At current prices)	Tenth five year plan	Eleventh five year plan	Twelfth five year plan
Plan period	2002-2007	2007-2012	2012-2017
Total allocation/ outlay (₹ billion)	5,909	14,881	33,361
Share of housing and urban development	7%	7%	10%

Government Initiatives

Certain key reforms introduced by the government to boost the housing sector in India are as follows:

Real Estate Act

The Real Estate (Regulation and Development) Act, 2016 received the assent of the President on March 25th, 2016 ("**Real Estate Act**"). The Real Estate Act seeks to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of developers, boost transparency and attract more investments to the sector. The Real Estate Act will regulate both commercial and residential projects and set up state-level regulatory authorities to monitor real estate activity. The Real Estate Act will improve buyer confidence and boost demand for residential real estate. It incorporates mandatory disclosure clauses, which would provide greater clarity on project standards and timelines for completion. For developers, while this Real Estate Act implies stricter regulatory control, it will also translate into better demand, as buyer confidence improves. In terms of supply, delays in handover of projects are likely to decline as clauses mentioned in the Act mandate strong commitment from developers to complete projects as per schedule.

Housing for all

The union cabinet launched the "Housing for All by 2022" project on June 25, 2015, also known as the Pradhan Mantri Awas Yojana ("**PMAY**"), aimed at urban areas. The key components of PMAY, include i) benefits for slum redevelopment projects, such as extra floor space index and transferable development rights if required, grant of ₹1 lakh per house, "free sale" component for developers; ii) assistance of ₹1.5 lakh per house for the economically weaker sections, in projects wherein the project has atleast 250 houses and 35% houses are reserved for economically weaker sections category; iii) subsidised loans at 6.5 % per annum for economically weaker sections and lower income group for loans upto ₹6 lakh (calculated at net present value); and iv) assistance of ₹1.5 lakhs for individuals of economically weaker section category for construction of own house

Phase	City coverage	Planned timeline
Phase I	100	April 2015 – March 2017
Phase II	200	April 2017 – March 2019
Phase III	200	April 2019 – March 2022

Smart Cities mission

The smart cities project will focus on sustainable and inclusive development of 100 cities in India in five years (Fiscal 2016 to Fiscal 2020). The development will be undertaken on various models, such as greenfield, redevelopment and retrofitting. As of September 2016, a total of 60 cities have been approved for the mission, including Bhubaneshwar, Pune, Kochi, Ahmedabad, Coimbatore, Kakinada, Madurai, Chennai and Panaji. The selected cities will be developed in terms of city infrastructure, transport, IT, economic activities and e-governance. As per the latest media articles, the balance list of 40 cities is expected to be released by the end of February 2017. These 40 cities will take the total to 100 smart cities and completion of Phase –I.

Atal Mission for Rejuvenation and Urban Transformation mission

This mission allows for urban renewal and upgradation of infrastructure in major urban tracts of the country. It will focus on basic services, including water supply, sewerage and urban transport. It will cover about 500 cities across the country. The total projected outlay of funds for five years (Fiscal 2016 to Fiscal 2020) will be around ₹ 500 billion, which will be provided by the central government in instalments of 20:40:40.

Indira Awaas Yojana ("IAY")

IAY is a flagship scheme of the Ministry of Rural Development, Government of India to provide houses to below poverty line rural households belonging primarily to the scheduled caste, scheduled tribe and bonded labour categories. Under this scheme, the cost is borne by centre and state governments in the proportion of 75:25. An allocation of ₹ 100 billion had been made under the budget for Fiscal 2015-16.

Key provisions of Budget 2017

The budget 2017 extended various benefits to the affordable housing sector, including infrastructure status and increased allocation under the PMAY scheme. In terms of the CRISIL Report, the usage of carpet area instead of built-up area and extension of project completion timeline from three to five years under the profit-linked income tax deduction scheme (80-IBA) for developers focusing on affordable housing will further widen the sector's scope.

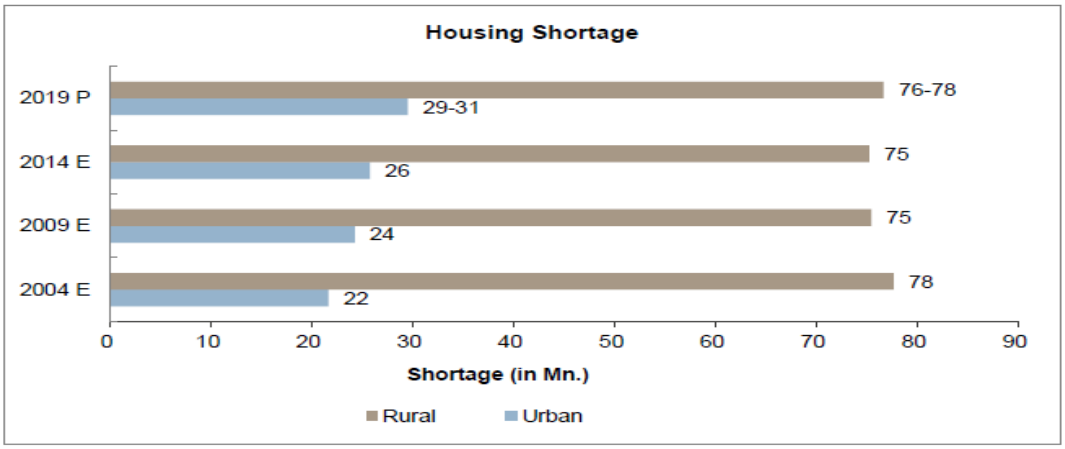
Further, the demand for cement and steel should generate a positive multiplier effect in employment and incomes, leading to a positive impact on the building material industry in the long run.

Urban vs. Rural housing

Housing shortage to increase at faster pace in urban areas

Rising migration to urban areas is expected to put pressure on available housing stock. It is forecasted that urban housing shortage will rise at a faster pace than rural shortage, over the next five years. Affordability also plays a role, as potential demand is not met when prices of existing vacant units are unaffordable.

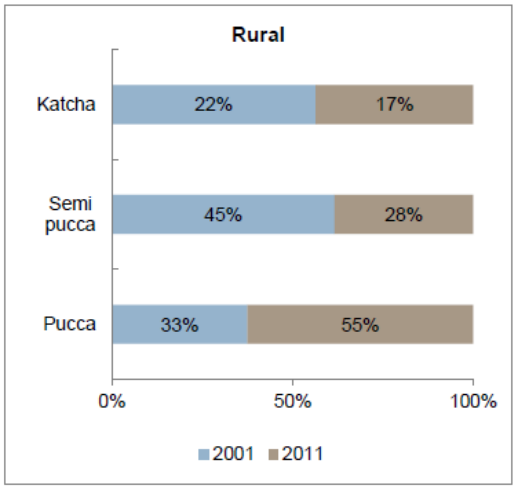
Overall housing shortage (million units)

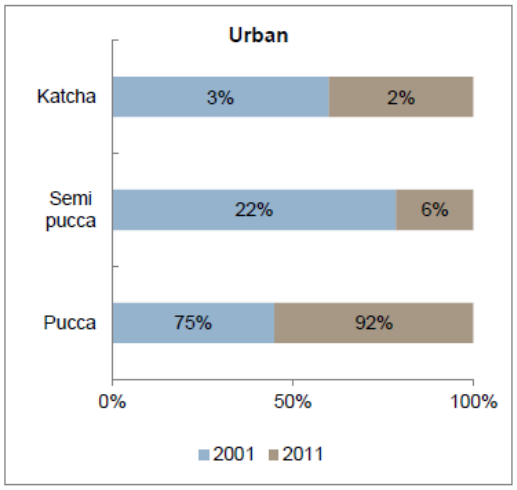


Pucca houses increase in both urban and rural India

Urban housing stock is predominantly pucca in nature, with semi-pucca and katcha houses making up a marginal percentage. As per census 2011, the proportion of pucca houses has increased from 33% to 55% in rural India. Similarly, urban India has seen a fall in semi-pucca houses and sharp increase in the pucca houses in 2011 *i.e.* pucca houses grew to 92% in 2011 from the 75% levels as recorded during census 2001.

Classification of Houses in Rural and Urban areas





Source: Census 2011

Share developed by large corporate builders' vis-à-vis smaller contractors

Metro cities generally thrive on vertical housing, as opposed to tier-II and tier-III cities which constructs more independent houses/bungalows and such other structures. CRISIL Research has estimated that the share of development by large corporate builders to be around 85-90%. However, the peripheral areas of such metro cities still have some pockets of independent housing. For example, cities in northern India like Chandigarh and NCR region and cities in southern region like Bengaluru and Hyderabad witness independent housing on the outskirts.

In contrast, in case of tier II and tier III cities, there continues to be a higher preference for independent housing/bungalows as compared to high-rise apartments. Hence, in case of tier-II and tier-III cities/towns, the share of smaller contractors is greater (approximately 85-90%) as compared to large builders.

Key building materials used in housing industry

Construction of a housing unit involves various building materials, including cement, sand, steel, bricks, plumbing, sanitary ware and electrical products. The cost component of the key building materials of a representative housing unit is set-forth below:

Material Cost Break-Up	
Cement	18% -20%
Steel	18% - 20%
Sand	6% - 8%
Aggregate	6% - 8%
Bricks	9% - 11%
Door Frame & Shutter	7% - 9%
Flooring	6% - 8%
Plumbing	5% - 7%
Painting	2% - 4%
Electrical	6% - 8%
Others	5% - 7%
Total	**100%**

On analyzing the cost break-up of the key building materials required for construction in housing unit, it is observed that cement, steel, bricks, door frames & shutter, flooring, plumbing, painting and electrical account for more than three-fourth share in the overall building material cost break-up. The percentage break-up of costs can differ over different building typologies in different towns/cities depending upon the availability of building materials.

Building material industry - estimated to reach ₹6.8-7.0 trillion in 2020-21 (for the eight key segments), representing a CAGR growth of 8-8.5%

Building materials are utilised across real estate construction segments, such as residential (individual houses or apartments), commercial (office spaces), retail (malls and showrooms), hospitality (hotels), healthcare (hospitals and

clinics) and education institutes (schools and colleges) spaces. A summary of the eight key segments of the building materials industry are set-forth below:

Segment	Market size (in Rs billion as of 2015-16)	Growth forecast (in %) for next 5 years	Share of organised vs unorganised	Typical levels of customer involvement in purchase of product (home owners)	Indicative share of sales via retail channels
Cement	1,300-1,400	8.0-8.5%			
Structural Steel	1,300-1,400	7.0-8.0%			
Bricks	600-650	8.0-10.0%			
Paints	385-395	12.0-14.0%			
Plumbing – PVC pipes	260-270	10.0-12.0%			
Ceramic tiles and Sanitary ware	250-255	10.5-11.0%			
Plywood and laminates	245-250	11.0-11.5%			
Lighting	180-185	11.0-13.0%			

Source: CRISIL Research
Note: In case of organized vs. unorganized the coloured section of the pie represents the organized share.

The building materials industry (comprising of the above listed segments) in India is currently sized at approximately ₹4.4-4.8 trillion as of 2015-16. These segments have grown at a CAGR of 5.0-5.5% over the past 3 years. Going forward, it is estimated that the segments will reach ₹6.8-7.0 trillion in 2020-21 for the eight key segments, representing a CAGR growth of 8-8.5%.

Certain other building materials such as scaffolding and hardware tools, which also form an important component in the overall construction, have not been considered in this section. Growth in demand for these materials is largely in line with the growth in construction industry.

Impact of GST on the building material industry – to herald transparency, reduce cascading effect of taxes

GST is expected to bring uniformity in taxation and reduce its cascading effect leading to cheaper goods and services. Currently, excise and value-added tax cannot be offset, so they cascade. In addition, VAT credits cannot be carried across states. Both these characteristics would change under the GST regime. A dual-structure is on cards where the central government would levy and collect the Central Goods and Services Tax ("**CGST**"), and states would levy and collect the State Goods and Services Tax ("**SGST**") on all transactions within a state. The states will be able to fix their SGST rates above the floor rate, but within a narrow band.

Impact of GST

Cement – Positive: It is expected that the overall tax incidence on the sector would potentially decline. Typically, indirect taxes in the sector are close to 28-30% which would potentially come down post GST implementation to the effective tax rate. Further, the sector will also benefit from expected decline in logistics costs with consolidation of warehouses especially for large players with a pan-India presence.

Steel – Neutral: It is expected that the overall tax incidence on the sector to potentially remain same with a marginally positive impact in states imposing high VAT considering that the steel producing states are not the key consuming centres; thereby attracting high VAT (state-specific). Typically indirect taxes in the sector are close to 15-18% depending upon whether the sales are within or outside the state. If the GST is levied at 18% the effective tax rate will remain at similar levels and there will be no visible impact on the steel sector (slight positive bias).

Retailing – Positive (especially organised retailers): Rentals which is one of the major costs for retailers attracts service tax of 14.5%. The retailers cannot set-off this cost like the other industries as the companies trading goods (retailers), which pay VAT, are not allowed to claim credit for the service tax paid on different items since they have no central tax against which this can be set off. This creates additional operating expenses for the players. However, passing of GST bill will now allow these indirect taxes (service tax) on lease rental to be set off. This will help in expansion of profitability margin. Further, the bill will also help organised retailers as the single tax will bring majority of transactions of unorganised players under the tax net and thereby reduce the price gap in retail prices of various items.

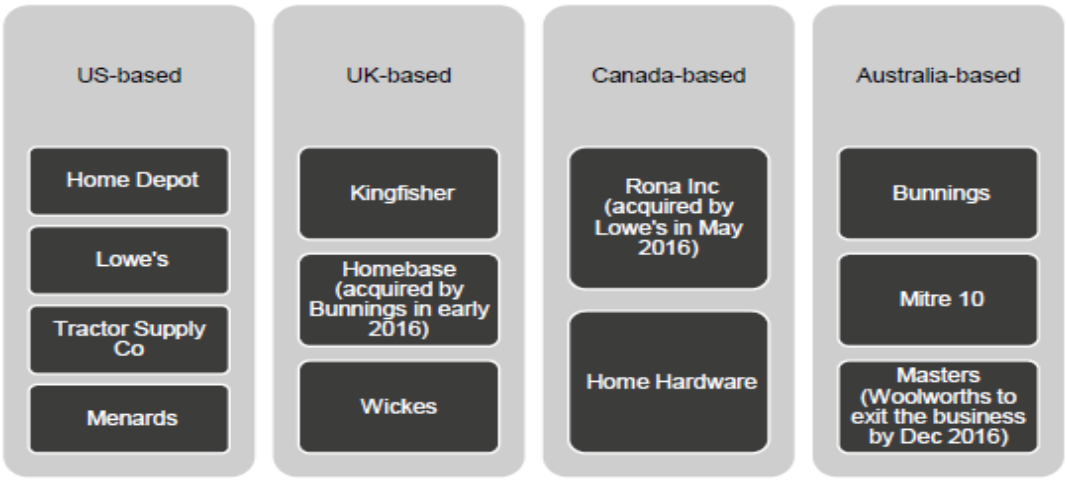
(Note: A 12-18-40 rate structure has been assumed for assessing the impact on various sectors)

Retailing of building material

Global scenario

Developed countries, such as the U.S, Canada, the UK, and Australia, have a larger share in the global home improvement retail industry space.

Large players in global home improvement retail industry



Source: CRISIL Research

Home improvement retail market in India for eight key segments currently sized at ₹1.5-1.8 trillion as of Fiscal 2016

While organised retailing has reached healthy penetration levels in the apparel, footwear and consumer durable segments, it has yet to make a mark in the building materials segments. The home improvement retail industry in India can be defined as that catering to small consumers, such as home owners, architects, interior designers and contractors, which is typically serviced by dealers or retailers of such products. Such dealers or retailers, who typically operate in single or multiple building materials segments, across single or multiple stores, have been present since several decades.

In recent times, branded manufacturers of building materials, such as JSW (via JSW Shoppe and JSW Explore for steel products), Essar (via Essar Hypermart for steel products), Cera (via Cera Style Studio for sanitary ware, faucets and tiles) Phillips (via Phillips Light Lounge for decorative lighting products), have increased their presence in the retail category via their retail outlets. However, such stores typically cater to only those segments in which they specialize and house only their in-house brands. As of date of the CRISIL Report, in the Indian scenario, there are limited players who offer multiple building materials segments across brands on a pan-India level. According to CRISIL Research estimates, the home improvement retail industry in India for the eight key building materials (namely cement, structural steel, bricks, paints, plumbing (PVC pipes), ceramic tiles & sanitary ware, plywood & laminates and lighting) is currently sized at ₹1.5-1.8 trillion as of Fiscal 2016. CRISIL Research has considered the typical share of the retail sales channel (B2C) of the segments (as detailed above) for computing the current market size of the home improvement retail industry in India. Thus, retail sales for these eight key products accounts for 34-38% of the total sales. The balance sales take place via the institutional and wholesale channels.

Indian retailing industry

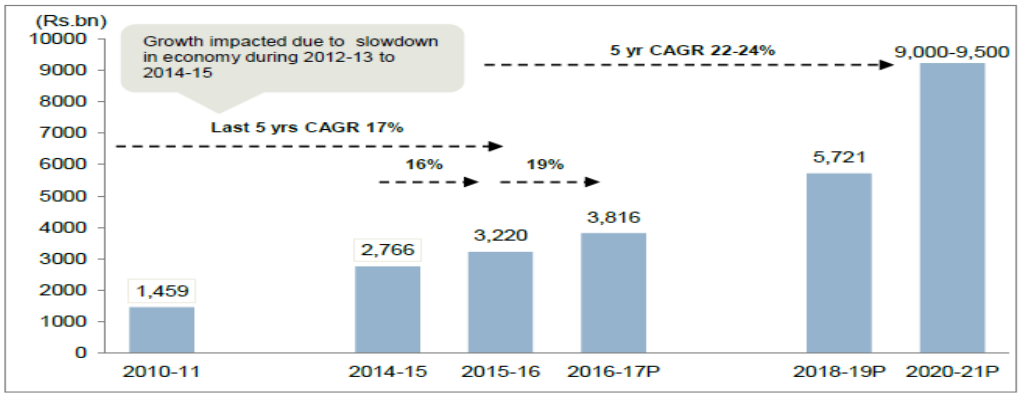
In Fiscal 2013, India's GDP growth slipped below 6%, curtailing consumer spend and denting growth of the retail industry, which slowed from a decadal peak of 20% in Fiscal 2011 to 8%. The industry faced challenges even after Fiscal 2013. While GDP growth improved in Fiscal 2014, high inflation of around 10% impacted consumer spending, with the retail industry growing about 10%. In Fiscal 2015, retail growth gained momentum due to low inflation of about 6%. In Fiscal 2016, the GDP growth rate was 7.6% vis-a-vis 7.2% in Fiscal 2015. This coupled with falling inflation, helped restore the industry's growth momentum at 11%. The growth momentum in Fiscal 2017 would be supported by stable inflation, implementation of Seventh Pay Commission and a normal monsoon, among other factors.

Organised retailing segment

Organised retailing grew at 25-30% CAGR for a few years prior to Fiscal 2011. However, from Fiscal 2011 to 2016, organised retail grew at a relatively slow 17% CAGR as a tepid economy put the brakes on disposable income from Fiscal 2012 to Fiscal 2015. Growth rebounded the next year, with organised retailing expanding 16% on-year in 2015-16. With the economy improving, and low inflation and declining commodity prices acting as a catalyst for the industry, CRISIL

Research projects 19% on-year growth in 2016-17. Over Fiscal 2016 to Fiscal 2021, organised retailers could clock 22-24% CAGR, reaching ₹9.2 trillion, as consumer sentiments improve and the economy picks up. Furthermore, lower inflation, implementation of Seventh Pay Commission pay-outs will also add to disposable income, further augmenting growth in organised retailing. .

Organised retailing growth trajectory



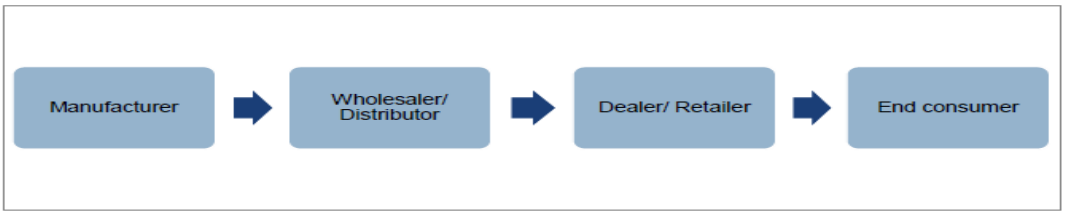
P: Projected

Source: CRISIL Research

Note: The organised retail is wherein a customer can purchase a product across more than one store of the same branded outlet. e-retail is a part of organised retail while traditional retail includes only brick-and-mortar.

The announcement of demonetization led to a liquidity squeeze in the country, thereby impacting consumption and consequently, retailers. The unorganized players faced a greater impact as compared to the organized ones as their proportion of cash-based transactions were on the higher side. A big side-effect of demonetization, as expected by the government, is consumers increasingly opting for digital modes of payments, which will expedite growth for organized retailing. Thus, the move is expected to lead to a shift from unorganized to organized retailing in the longer run. Additionally, factors such as urban consumers moving-up the economic ladder, increasing preference for branded products, variety in product offerings by organised retail players, increasing retail footprint by opening of new stores is also expected to result in gradual shift of consumers to organised from unorganised stores thereby driving growth for organised retailing.

Distribution channel for building materials



Source: CRISIL Research

Manufacturers, especially branded players, sell their products via wholesalers/distributors. Increasingly, branded players have also started scaling up their own experience stores/ design studios. The wholesaler/ distributor are the point of contact for retailer/dealer. At times, bulk orders (B2B) are also routed through the wholesaler/ distributor. The dealer/retailer serves as the final link in the chain for end users like homeowners, architects, interior designers and small contractors. Generally, such dealers or retailers focus their offerings on a particular segment (for e.g. ceramic tiles) and house several brands as well as generic products available in that particular segment. In many cases, given the synergies between these segments, dealers or retailers may sell more than one segment in order to capture a larger share of the consumer's wallet. But the retailers providing multiple building product segments under one roof, are very few. Such dealers or retailers are generally located in clusters within a city or town. For instance, a particular locality or road may house several stores catering to various building material segments.

Key clients for such dealers/ retailers are from two distinct categories:

- Homeowner who wishes to build/ renovate their house
- Architect/ interior designer/ contractor who undertakes such projects

A notable trend is the willingness of a homeowner to spend large sums of money on interiors, something which was not prevalent in the past two-three decades.

However, there are certain challenges faced by the homeowner while purchasing such materials:

- Convenience of multiple building materials segments under one roof: There are limited players in the organised set-up which offer the convenience of multiple building material segments across various brands under one roof. Typically, the home owner ends up visiting multiple dealers/ retailers in order to purchase various building materials, which becomes a time-consuming exercise.

- Trust associated with a branded entity: Given that a majority of dealers/retailers of building material segments operate as 'mom-and-pop' stores, the trust that is typically associated with a branded entity operating on a pan-India level is not available. The assurance of genuine branded products at correct weights is another key factor for the home owner which plays an important role in choosing the right retailer/dealer for building materials.

Thus, players who offer multiple building materials segments across brands on a pan-India level are expected to enjoy an advantage over the conventional 'mom-and-pop' dealers and retailers of building materials.

Demand drivers for growth of the home improvement retail

Demographic factors

- *Increase in population*: Housing demand is primarily a function of population growth. Between 2011 and 2021, India's population is projected to increase approximately 11% to 1.4 billion, which will see housing demand touch 285 million. During 2001 to 2011, the population grew nearly 18% to about 1.2 billion, and comprised about 246 million households.

- *Increase in urbanisation*: Urban population's share in total population has been consistently rising over the years and stood at about 31% in 2011. Urbanisation provides an impetus to housing demand in urban areas as migrants from rural areas require dwelling units. Nearly 36% of the country's population is expected to live in urban locations by 2020, which will drive the demand for housing in these areas. Urbanisation has a twin impact on housing demand- reduction in area per household and rise in number of nuclear families- leading to formation of more households.

- *Increase in income levels*: India's per capita disposable income has increased from ₹73,476 in Fiscal 2012 to ₹107,817 as of Fiscal 2016 (*base year Fiscal 2012, at current prices, inclusive of other current transfers (net) from rest of the world)*). Increasing disposable income increases demand for housing units as it increases the affordability. This has a cascading effect on building materials segment.

- *Increase in nuclear families*: The trend of nuclearisation, formation of multiple single families out of one large joint family, is expected to increase in India as individuals give more importance to increased mobility of labour in search of better employment opportunities. Changing social/cultural attitudes too contributes to increased nuclearisation, leading to higher demand for housing.

Enabling factor

- *Easy availability of finance:* Easy availability of financing options for the retail customer is expected to provide a boost to the housing segment and consequently serve as a potent demand driver for the building material segment.

Other factors

Apart from the macro-economic factors listed above, several other factors have led to the increased penetration of building materials in India, especially in the retail segment:

- *Changing aspiration of Indian consumer*: Increase in income levels, shift in employment patterns, exposure to global trends and increase in discretionary spending have resulted in changing aspiration of Indian consumers. With increasing double income, nuclear families, the levels of discretionary spending have risen, thereby contributing to demand for building materials. Additionally, a sizeable portion of the Indian middle class is well-travelled and exposed to global trends, which has increased the demand for premium building materials across segments.

- *Increase in product and brand awareness*: As compared to the past two-three decades, end-customers (including architects, interior designers and contractors) today are spoilt for choice when it comes to choosing branded building materials across segments. The entry of several global brands, especially in the sanitary ware, plumbing, tiles and lighting segments, has also significantly widened broadened the range of offerings. Apart from

technological and design-oriented initiatives, most of the branded players have also significantly ramped up their marketing and advertising efforts to create more awareness. Setting up of 'experience stores' or 'design studios', signing up of celebrities or eminent personalities as brand ambassadors, increased spend on print, outdoor and television advertisements, have resulted in greater awareness about branded building materials.

- *Changing trends in renovations and remodelling*: Home renovation or remodelling decisions were earlier linked to major life events such as marriage, shifting residences or birth. Today, the mindset has undergone a change with regards to frequency of renovations/remodelling. This is primarily due to the increase in income levels, discretionary spending and exposure to global trends. Houses have graduated from being functional living spaces to a reflection of one's personality. The willingness to spend significant sums of money on one's home has played a crucial role in the growing demand for building material segments. There has also been a significant shift in the level of customer involvement in construction, renovation or remodelling decisions. Today, the customer is willing to invest time and money on various building materials for his home, thus contributing to the overall growth of the building material segments in India.

Details of selected products used in building material industry

Steel

Steel is one of the key building materials and the most common alloy used in the world. The steel products can be broadly classified into flat steel and long steel products. The flat steel products are mainly manufactured by primary producers who are integrated steel producers and large bulk producers, having capacities of more than 1 million tonne. The long steel products are, on the other hand, mainly manufactured by fragmented small and medium-sized non-integrated steel manufacturers and re-rollers. In addition to housing, steel has varied uses across a number of end use applications. From manufacturing paper clips and razor blades to building bridges, beams and columns for skyscrapers, steel is used in roofing, panelling, warehousing, automobile bodies, trunks/boxes, containers, furniture, engineering, agriculture, household, furniture, civil/mechanical construction, railway/tramway tracks among others.

Key flat steel products

Steel roofing

A significant proportion of the cost of building a structure - be it residential building, retail mall, office building, industrial structure or warehouse - goes towards roofing. Various materials are used for roofing, depending on the structural, performance, aesthetic and economic requirements. Thus, roofing industry is driven by housing, infrastructure and warehousing industries. It is estimated that 50-60% of roofing demand is for reinforced concrete cement, followed by clay tiles at 15-20% and metals at 15-20%.

Market size for steel roofing stood at around ₹30-35 billion in Fiscal 2012 and posted a double-digit growth of 16-17% annually between Fiscal 2012 and Fiscal 2016. Going forward, the steel roofing market size will grow at 8-9% CAGR during the next five years driven by the demand from infrastructure, industrial, housing and commercial real estate sectors.

Cold Rolled ("**CR**") products, galvanised sheets

CR and galvanised plain ("**GP**")/ galvanised corrugated ("**GC**") products are downstream value-added flat steel products. CR is produced by cold-rolling HR coils (normally at room temperature). CR strips/sheets are characterised by lower thickness, better/bright finish, good dimensional tolerance and superior mechanical/metallurgical properties and are supplied in regularly wound coils of superimpose layers. They are also known as coils in India. CR coils are used in automobiles, consumer durables, engineering, pipes and tubes, cycles and coating industries. Galvanised products are primarily used for roofing in India. Other applications include automobile bodies, white goods panels, drums and barrels, and AC ducts.

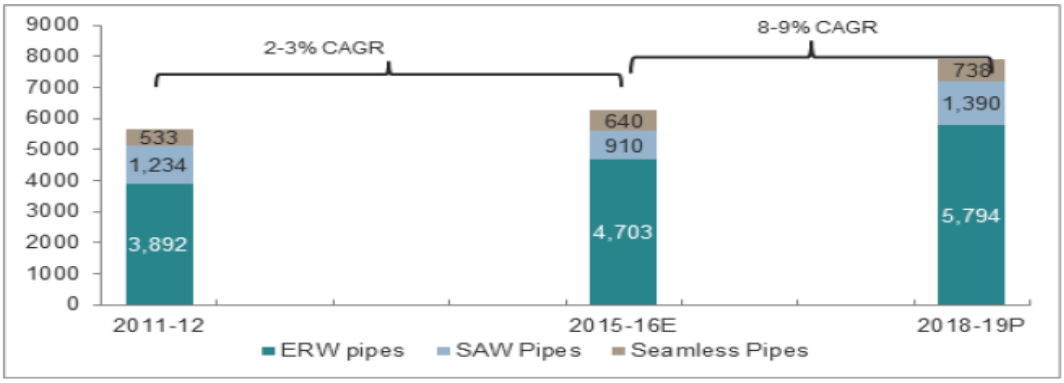
In Fiscal 2016, the CR market size was estimated at ₹311 billion and GP/GC market size was estimated at ₹ 234 billion. Going forward, it is expected that the demand for CR products will improve in the next five years with an annual growth of 9-10% in market size and GP/GC will improve at a moderate pace in the next five years with an annual growth rate of 4-5% in market size. These will be driven by the growth in demand from key end-user industries such as infrastructure, building and construction, and automobiles.

Steel pipes

Pipes could serve as flow elements or as support elements. Pipelines used for flow elements are used for cost-effective transportation of oil, gas, water and other materials.

Pipes for structural support are fast substituting traditionally used steel bars, angles, channels and beams, as the former have higher tensile strength and are available in a wide sizes and designs. Over the past five years, the demand for structural pipes has increased at estimated 7-8%. Going forward, the demand for domestic steel pipe is expected to increase with investments on the back of government's continued focus towards building urban infrastructure coupled with rising usage of

structural pipes in infrastructure (including for airports, stadiums, malls, metro railway, skywalk bridges, power plants, ports and scaffoldings at construction sites). Over Fiscal 2016 to Fiscal 2019, sales volume is likely to increase at 8% CAGR. The product-wise demand trend and outlook for SAW and ERW pipes is set out below:



E: Estimated, P: Projected

Source: CRISIL Research

Sales channels of metal products

The organised retail market for steel and its allied products began around Fiscal 2006. On average, steel retail sales channel contributes around 10-11% of overall consumption of the alloy today. While branded steel manufacturers have ventured into retailing of their in-house steel products, currently, there are limited third-party distributors operating on a pan-India level who offer various brands of steel products like pipes and bars.

Plywood and laminates

Plywood is a manufactured wood panel made from thin sheets of wood veneer. Given that it is flexible, inexpensive, workable, reusable, and can be locally manufactured, it is one of the most widely used wood products. A laminate is composed of layers of firmly united material made by bonding layers of paper, wood, or fabric and compressing them under heat.

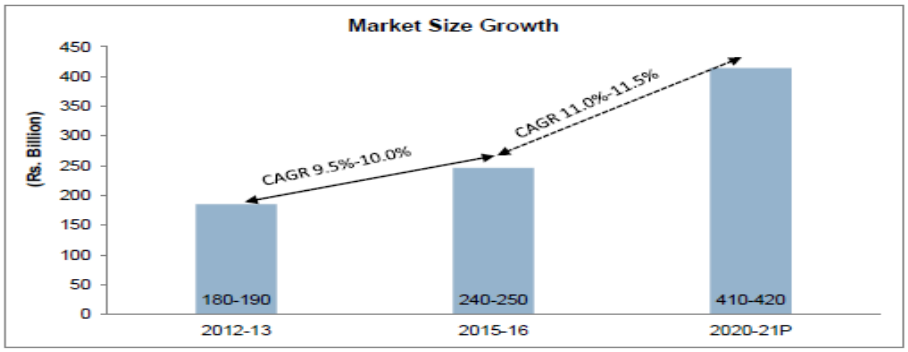
Organised vs. unorganised segment

The plywood and laminates industry is highly fragmented and unorganised with a significant presence of SMEs, due to the low technical and capital intensity and the regional nature of demand. Players primarily cater to regional demand, as transporting plywood/laminates over long distances is extremely expensive and price is the key differentiator. The unorganised sector accounted for 78% of the plywood industry and 60% of the laminates industry.

Outlook

As of 2015-16, it is estimated the size of the plywood and laminates industry to be about ₹240 – 250 billion.

Market Size Growth:



P: Projected

Source: CRISIL Research

The plywood and laminates industry grew at a CAGR of 9.5-10.0% between 2012-13 and 2015-16, driven by growth in real estate activity. Also, factors such as a rise in per-capita and disposable income, increase in urbanisation and a rise in number of nuclear families have supported growth.

Ceramic tiles and sanitary ware

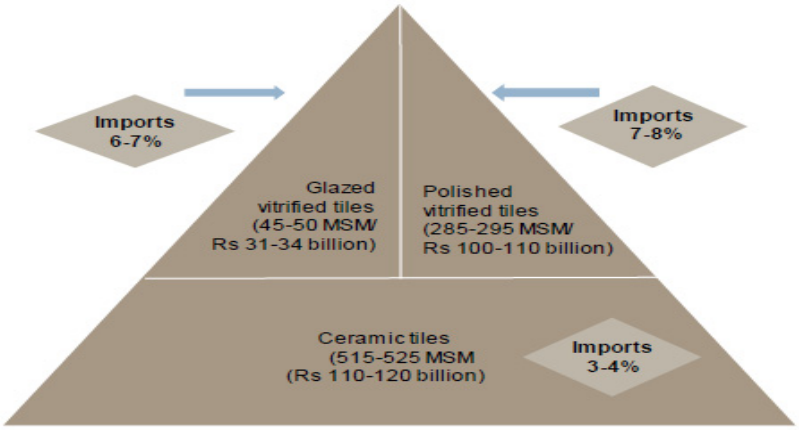
The Indian ceramic tiles and sanitary ware industry is estimated to be worth almost ₹250-255 billion as of 2015-16. Ceramic tiles account for 85% (or ₹215-220 billion) of the industry, while sanitary ware constitutes 15% (₹35-40 billion). In terms of production, India ranks third in the world in the ceramic tiles and sanitary ware sector (*Note: CRISIL Research has included water closets (WCs), basins, bath and other fittings as part of the sanitary ware market. The same does not include faucets)* . Based on the type of tiles, the ceramic tile industry can be segregated into three major segments, *viz*. the ceramic floor and wall tiles, polished vitrified ("**PV**"), and glazed vitrified ("**GV**"). In terms of production, India ranks third in the ceramic tiles and sanitary ware sector.

Organised versus unorganised market

While the organised segment accounts for 51-52% (up from 38-40% in 2007-08) of the market in value terms, the component of smaller players is sizeable. The organised sector is expected to further strengthen its hold in the industry. Organised players mostly cater to the faster growing segments - vitrified and polished tiles - which will also help them grow faster. The expansion can also be attributed to the large players' entry into long-term joint ventures with smaller unorganised players, thus expanding capacity at a much faster rate.

Market size

Overview of the Indian ceramic tile & sanitary ware market size 2015-16 is set forth below:



Source: Industry, Company annual reports

Outlook

The ceramic tiles & Sanitary ware industry is estimated to have expanded at a CAGR more than 8% in volume terms over 2012-13 to 2015-16. The growth was largely driven by quick urbanisation and residential and commercial construction activity in metros and tier I cities.

Residential real estate continues to be the key growth driver, contributing 78-80% of the revenue. CRISIL believes the industry's projected expansion at 5.0-7.0% CAGR over 2015-16 to 2020-21 would be driven by 4-6% volume growth and marginal improvement in realisation.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" on page 15 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year.

Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Red Herring Prospectus on page 142.

Overview

We are one of the leading organised retailers of home improvement and building products in India based on number of stores, operating under the trade name *Shankara BuildPro (Source: CRISIL Report)*. As on December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India. We cater to a large customer base across various end-user segments in urban and semi-urban markets through our multi-channel sales approach, processing facilities, supply chain and logistics capabilities.

Our retail operations are strategically suited to benefit from growth in housing demand, large market for home improvement, and increasing customer involvement in home solution decisions which have created a need for organized speciality home improvement and building product stores. Our growth is further driven by our ability to make available an assortment of quality products under a trusted corporate brand built over two decades. Our staff creates awareness about products and applications, and guide customers' purchase decisions. We also provide delivery and facilitate installation services for select product categories.

We serve home owners, professional customers (such as architects and contractors), and small enterprises, through our retail stores. Additionally, in the semi urban markets, we also cater to specific agricultural requirements of individual customers and small enterprises. Under retail operations, we offer a comprehensive range of products at our stores, including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. We carry reputed third party brands such as Johnson, Sintex, Uttam Galva, Uttam Value, Futura, APL Apollo, Astral Pipes and Alstone and our own brands such as CenturyRoof, Ganga and Loha at our retail stores. During the nine months period ended December 31, 2016 and Fiscal 2016, our revenue from retail sales was ₹7,157.13 million and ₹8,077.56 million, respectively, which contributed 41.86% and 39.68% of our total sales as of December 31, 2016 and Fiscal 2016, respectively. The revenue from retail sales in Fiscal 2016 represented a CAGR of 28.67% as compared to our revenue from retail sales in Fiscal 2012, being ₹2,947.20 million. The balance revenue during the nine months period ended December 31, 2016 and during Fiscal 2016 comprised of enterprise sales, contributing 33.35% and 32.20%, respectively, and channel sales contributing 24.79% and 28.13%, respectively, of our total revenue.

Our enterprise sales caters primarily to large end-users, contractors, and OEMs, while the channel sales caters to dealers and other retailers through our extensive branch network. In these operations we primarily offer steel based products, such as structural steel, TMT bars, pipes and tubes and other allied steel products. Given the wide application of such building products, we are able to cater to multiple sectors, including, among others, housing, general engineering, automotive, renewable energy, agriculture, construction and infrastructure. We also provide customized solutions to our enterprise customers through our bespoke steel products such as bus bodies, scaffolding solutions and other allied products for select clients. During the nine months period ended December 31, 2016 and in Fiscal 2016, our revenue from enterprise sales was ₹5,701.19 million and ₹6,554.93 million, respectively, and revenue from channel sales was ₹4,239.19 million and ₹5,726.71 million, respectively. For the nine months period ended December 31, 2016 and for Fiscal 2016, our customer base is widely distributed and the top 10 customers accounted for 3.89% and 3.67%, respectively of our overall revenues.

We are backward integrated through our processing facilities in select building products like steel pipes, colour coated roofing sheets, bright rods, galvanized strips and cold rolled strips. We sell these products under our own brands like CenturyRoof, Ganga, Loha, Taurus and Prince Galva through our retail and branch network. Our own processing facilities help us to offer customised solutions and meet quality standards as well as timely delivery requirements of our customers. As on December 31, 2016, we had 11 processing facilities having a total installed capacity of 323,200 MTPA operating at an average capacity utilization of 93.81% (annualized). In January 2017, we commenced production at our stainless steel pipes and tubes processing facility in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA. These capacities can be scaled in a modular manner as per requirement.

To cater to our customers, we also have a robust logistics network which, as of December 31, 2016, consisted of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) aggregating 0.59 million sq.

ft., and a fleet of 44 owned trucks to augment our last mile delivery. A large part of our warehousing backbone is owned which ensures stability of operations. It also helps in catering to the requirements of our retail outlets.

With an aim to offer a comprehensive range of products, we have expanded our product offerings and as of December 31, 2016, our product portfolio comprised of 19,230 SKUs. This has resulted in enhanced growth and profitability at the retail store level. As of December 31, 2016, our building products are marketed and sold through 103 retail stores, aggregating 0.37 million sq. ft. Our total number of retail stores has consistently grown from 43 in the end of Fiscal 2012 to 95 in the end of Fiscal 2016, evidencing a sq. ft. growth from 0.13 million to 0.32 million. For the nine months period ended December 31, 2016, we recorded ₹19,173 retail sales per square foot. From Fiscal 2012 to Fiscal 2016, our retail sales per square foot per annum increased from ₹23,452 to ₹25,003. From Fiscal 2012 to Fiscal 2016, our annual number of retail transactions increased from 97,639 to 395,697 thereby increasing our retail customer base, which is also evident from a decrease in average transaction size from ₹30,185 to ₹20,413. For Fiscals 2014, 2015 and 2016, our retail stores recorded same store sales growth of 13.25%, 24.19% and 28.29%, respectively.

Our Company was founded by our Promoter, Sukumar Srinivas, an alumnus of the Indian Institute of Management, Ahmedabad, and a first generation entrepreneur, currently having 33 years of experience in the building products industry.

Our total revenue from operations, as per our Restated Consolidated Financial Statements for Fiscals 2014, 2015 and 2016, and for the nine months period ended December 31, 2016, was ₹19,271.04 million, ₹19,788.16 million, ₹20,359.20 million and ₹17,097.51 million, respectively and our net profit after tax, for Fiscals 2014, 2015 and 2016, the nine months period ended December 31, 2016, was ₹287.08 million, ₹225.77 million, ₹413.29 million and ₹415.46 million, respectively. We were ranked 200th among India's largest unlisted companies in terms of revenue, by Business Standard in the year 2015. Also, we were awarded the 'Emerging India Award' in the "Retail Trade" category, organized by ICICI Bank, CRISIL and CNBC TV 18 in the year 2005.

Our Competitive Strengths

Providing our customers a unique experience by offering a comprehensive range of home improvement and building products

We offer our retail customers a unique experience by providing them a comprehensive range of home building products under one roof. Such product offerings include structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, plumbing, tiles, solar heater, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. Our wide product range helps in cross selling our products across our customer groups. We have been able to successfully leverage our experience to streamline our product offerings depending on customer preferences in the home building and home solutions space. We have also strategically located our retail stores in select urban and semi-urban areas which has enabled us to reach out to a larger number of retail customers.

We are possibly among the few organized, third party retailers of building products in India. We believe that our retail stores are better placed to service customer requirements. We also believe that, compared to local hardware stores and wholesale players, we offer a much wider product portfolio, maintain higher SKUs at our retail stores, are strategically located to suit customer requirements, offer a wider range of customised products, other allied services and have more experienced staff to guide and assist our customers with their product requirements. We provide window displays of various products, such as model bathrooms with tiles, sanitary, and light fittings, to complete the visual for our customers. We also provide last mile delivery of our retail products. We offer electronic weighing systems and transparent pricing with computerized bills which helps build credibility and trust with customers on ethical business practices.

We have dedicated trained staff for our channel and enterprise customers. We offer a wide assortment of quality products, arrange delivery and run loyalty programs for the benefit of our customers. We also customize and service specific product requirements of our enterprise customers in the bespoke operations. We have been able to build a large, loyal base of small and large customers spread across various industries over a period of time.

We have built strong customer relationships over the last two decades and continue to work actively towards further strengthening it. We believe that the trust and convenience that we offer to our customers, our large product basket, multitude of suppliers and buyers and a wide geographical span create unique entry barriers for our competitors.

Our strong vendor network and relationship built over two decades

We have a wide network of suppliers for our various product offerings. One of the key challenges faced by building product manufacturers is ensuring adequate availability and appropriate display of their products for their target customer segments, which has been resolved by our offering of an organized platform for such sales across our retail stores. As on December 31, 2016, we offered our suppliers a growing network of 103 retail outlets spread across 9 states and 1 union territory in Tier-I Cities, Tier-II Cities and Tier-III Cities. As of December 31, 2016, we operated 30 stores in Tier-I Cities, 30 stores in Tier-II Cities and 43 stores in Tier-III Cities. We are able to aggregate demand across each of our retail stores to generate

significant volumes across product categories. In addition, our suppliers also get access to our extensive enterprise and channel customer base spread over 9 states and 1 union territory to whom we cater through our own supply chain and logistics network. Realizing the significant potential of our sales network and our organized setup, we have become a natural partner of choice for our suppliers.

We also have exclusive arrangements with certain key suppliers. We have been associated with reputed third party brands, including among others, Johnson, Sintex, Uttam Galva, Uttam Value, Futura, APL Apollo, Astral Pipes and Alstone and we believe that such relationships with marquee suppliers have enhanced our brand equity and marketability.

Our presence across the entire value chain

Our business operations span across the entire value chain of processing, channel sales, enterprise sales, retail sales and other allied services such as delivery and installation. We believe that our business operations share a symbiotic relationship with each other and contribute to each other's strength and we leverage on this unique capability to provide services across each of these operations.

Our interface with our customers helps us keep track of changing market trends which we feed to our procurement and processing divisions. Our own processing division helps us service bespoke customer requirements for enterprise clients. Through our trained retail staff, we create opportunities of installation services to entrench ourselves firmly with our end customers. We further leverage our own processing capabilities to service customised order requirements at our retail stores. In product categories which are common across all operations, we are able to enjoy economies of scale on purchases. Given our large customer base, we are also able to manage inventory more efficiently across our network. We share our warehouse and logistics infrastructure across our retail and enterprise sales network creating significant efficiencies. While our new stores gain traction and see a ramp up in revenue, we leverage our deep channel sales and customer network to achieve quicker break even.

The ability to capture higher margins by moving closer to the customer through retail stores and branded products as also through backward integration through our own processing is significant and a unique strength for us. Our product experts straddle across segments identifying new product opportunities. Our retail store network provides a ready platform for these products, which could be procured through our own processing facilities or through contract manufacturing. Our channel and enterprise network further augments the sale and strengthening of our brands.

Robust back-end infrastructure ensuring efficient supply chain management

We have been focused on implementing proper systems and processes since our inception and this has been the foundation for us to scale successfully. Our Company received its ISO 9001 certification in 2003. We have implemented an efficient ERP system. We generate daily reports for key business metrics such as sales, collection, debtors, inventory and production for the senior management. We also have a monthly MIS system, and our sales process is controlled entirely through the ERP. Sales to new enterprise and channel customers are made only after due verification by respective territory heads which aids in the creation of centralized customer records in the head office with appropriate credit amount and credit period information. Post-dated cheques, or in some cases letters of credit, are taken upfront from these new customers. This coupled with focus on collection from debtors has ensured low bad debt history. We undertake monthly production and procurement planning exercise, and maintain strong controls on product wise and process wise costing which helps us optimize efficiency and improve margins. We have a dedicated internal audit team and a store co-ordination team which periodically visits each retail store, branch and warehouse to keep control on inventory and our debtors.

We have strong in-house logistics and supply chain capabilities. We have built a robust logistics network of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) as of December 31, 2016, aggregating 0.59 million sq. ft. and operate a fleet of 44 owned trucks. A large part of our warehousing backbone is owned which ensures stability of operations. We have tie-ups with a number of third party logistics providers to efficiently move our products. Our strong logistics capabilities, supply chain network and in-house warehousing facilities have enabled us to develop an efficient supply chain to our retail stores and branches. Over the years, we have been successful in minimizing our inventory costs by maintaining optimum in-stock levels by efficiently monitoring customer preferences through our ERP system and MIS controls.

We have facilities to process steel tubes, roofing sheets, bright rods, galvanized and CR strips in multiple locations. As of December 31, 2016, our installed capacity for our products was 323,200 MTPA, and this has been scaled over the last six years. This growth started with the acquisition of a steel tube and CR strips unit in Bengaluru with a capacity of 41,000 MTPA in Fiscal 2010 and since then we have scaled it to 93,600 MTPA as of Fiscal 2016. We also started a greenfield steel tube and strip galvanizing unit in Hyderabad in Fiscal 2012, with a capacity of 39,000 MTPA, which has been scaled upto 165,000 MTPA as of Fiscal 2016. In Fiscal 2014, we acquired a roofing sheets unit with production capacity of 10,000 MTPA, which has now been scaled up to 27,600 MTPA as of Fiscal 2016. In January 2017, we commenced production at our stainless steel pipes and tubes processing facility in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA.

We believe that we have created a strong foundation of human capital, physical capital and systems and processes to scale the business further. We undertook over 0.51 million sale transactions in Fiscal 2016 across 53 products and 12,568 SKUs, which has been scaled upto 0.39 million sale transactions across 74 products and 19,230 SKUs as at December 31, 2016. Our scale enables us to undertake marketing campaigns to build our brand and enter into preferential relationships with our vendors. It gives us an edge over our competitors and also provides us the necessary financial strength to sustain as well as expand our retail network and product portfolio.

Strong track record and financial stability

We have maintained a strong track record of growth over the years through expansion of stores, improved procurement costs, higher customer retention and increase in same store sales growth. Our operational efficiencies and efficient supply chain network has resulted in better control of operational expenses and thereby enabled rise in profits after tax. Further, we have been able to capitalize on our existing logistics, supply chain network and backward integrated facilities to utilize our capital efficiently.

We have added numerous processing facilities (greenfield and acquisitions), warehousing infrastructure, substantially scaled up our retail operations and added a number of new product categories. All these initiatives, which took time to fructify, have now started yielding results and have prepared a strong base for future growth. In Fiscal 2012, we delivered high return on equity of 18.51%, which dipped to 8.92% in Fiscal 2015, and is now back on the same trajectory with return on equity of 14.22% being recorded for Fiscal 2016 and 12.51% for the nine months period ended December 31, 2016. We have been profitable since our inception in 1995.

As per our Restated Financial Statements, from Fiscal 2012 to Fiscal 2016, our revenue increased at a CAGR of 9.55%, our EBITDA at a CAGR of 14.35% and our profit after tax (after minority interest) increased at a CAGR of 8.44%.

Experienced and dedicated management team

We have an experienced and dedicated team of Key Managerial Personnel, with significant experience in all aspects of our business operations. Our management team is led by our Promoter, Sukumar Srinivas, an alumnus of the Indian Institute of Management, Ahmedabad, who has been associated with the building products industry for over thirty years. Our strategy to evolve into a one-stop-shop solution of home building products in Fiscal 2010, is owed to the vision of our Promoter, and has translated into the setting up of our elaborate network of retail stores, providing well known brands across home building product categories. Over the last two decades, we have demonstrated sustainable growth and believe that our multi brand retail business format has matured and offers significant growth possibilities.

A majority of our team of Key Managerial Personnel, have had a longstanding relationship with us, and have been associated with us since our inception and are involved in our day to day management, growth objectives and key strategic initiatives. We believe that due to our Key Managerial Personnels' understanding of the industry trends, demands and market changes, we have been able to scale our operating capabilities and take advantage of market opportunities over the period. This has helped us turnaround the two acquisitions that we undertook within a short period of acquiring them. The strengths and qualities of our Key Managerial Personnel, has enabled our Company to enhance our brand equity.

Strategies

Scaling our retail presence

To address the growing demand for home building and home improvement products, we intend to expand our footprint of *Shankara BuildPro* stores over the next few years. Towards this objective we have already opened eight new *Shankara BuildPro* stores in the current Fiscal upto December 31, 2016, and as on December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India. We would also leverage on our existing logistics capabilities and backward integrated processing units to further expand our retail operations across India.

Enhancing our product offerings

We intend to further enhance and expand our existing product portfolio at our retail stores, by adding more product categories and more brands in existing product categories such as electricals and decorative paints. We would also focus on building strategic relationships and strengthening our existing relationships with suppliers and manufacturers of home building products. In the past, we have successfully added new brands and introduced new products, which is evident from the wide range of product offerings which has grown from 7,401 SKUs in Fiscal 2014 to 12,568 SKUs in Fiscal 2016 and 19,230 SKUs as at December 31, 2016 and the number of third party brands have grown from 15 in Fiscal 2012 to 46 in Fiscal 2016 and to 68 during the nine months period ended December 31, 2016. In addition, we intend to increase our own branded product offerings either through in-house capabilities or through contract manufacturing.

Increasing our presence in bespoke products

We intend to capitalize on our specialization in processing customized steel products by deepening our presence in bespoke products, where we are backward integrated with our own processing facilities. We believe that our in house capabilities will enable us to further consolidate our footprint in this market and also enhance our brand equity and marketability. We intend to offer more customization solutions and further integrate them with our retail outlets.

Further strengthening our value chain

We have in the past successfully acquired and integrated certain companies such as CRIPL for roofing solutions and VPSPL for tube and strips processing. This has enabled us to backward integrate our business operations and strengthen our value chain. We also intend to continue to explore such business opportunities, including through inorganic acquisitions, and foraying into new product verticals, depending on market conditions and emerging business opportunities. This would enable us to expand our product range and our customization capabilities.

Focus on our brand equity and marketability in the home improvement and building space

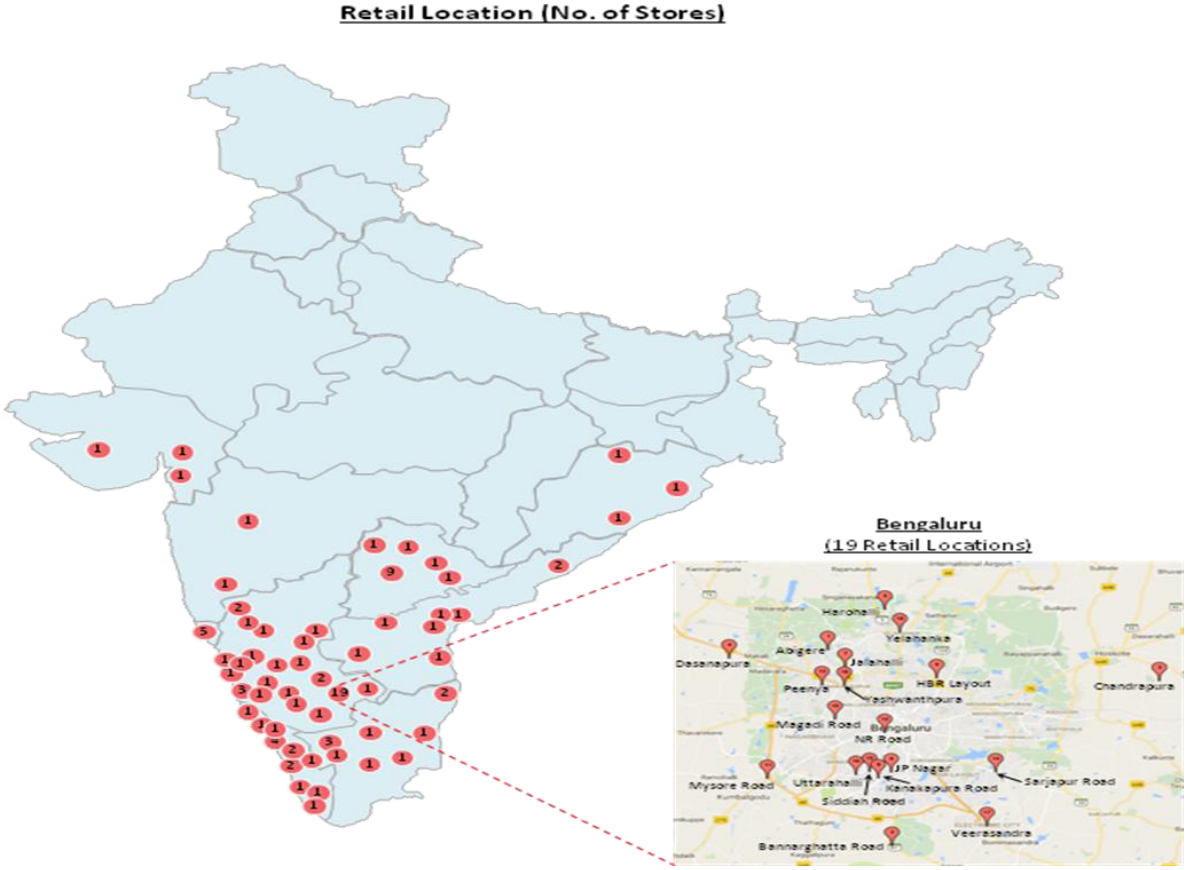
We intend to focus on enhancing our brand equity and marketability through various means, including, expansion of our *Shankara BuildPro* stores across India. We believe that such initiatives will enable us to establish a loyal customer base across our target customer categories and further increase our revenue. We also intend to further strengthen our relationship with our existing customers by increasing the reach of our loyalty programs, providing a wider product mix and invest in branding to ensure higher customer recall. We further intend to increase our focus on installation services, through trained workers such as plumbers and carpenters who would complete home improvement projects of our customers and provide end-to-end experience to our customers. We intend to further evolve our customer connect through an integrated multi-channel sales approach.

Our Operations

Retail Operations

Geographical presence

As of December 31, 2016, our retail operations were spread across Andhra Pradesh, Goa, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Tamil Nadu, Telangana and Puducherry. The state-wise presence of our retail stores is mapped below:



The table below provides the details of our retail store network as at the end of the respective periods:

State/Union Territory	As at March 31, 2012	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at December 31, 2016
Andhra Pradesh	4	4	6	8	8	8
Goa	1	2	3	4	5	5
Gujarat	2	3	3	4	3	3
Karnataka	18	21	26	36	40	43
Kerala	5	8	11	13	14	15
Maharashtra	3	3	3	2	2	2
Odisha	2	2	2	2	2	3
Tamil Nadu	4	5	9	9	9	10
Telangana	4	6	7	9	11	13
Puducherry	0	1	1	1	1	1
Total	**43**	**55**	**71**	**88**	**95**	**103**

We started our retail operations with our legacy stores under the trade name *Steel World Plus* primarily offering steel based products. With an aim to offer a comprehensive range of home improvement and building products under one roof, we have enhanced our product offering and now operate our retail stores as *Shankara BuildPro* stores. As of December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India, with a majority of our stores situated in the Southern and Western regions of India. All our stores are operated by us. As of December 31, 2016, our retail stores occupied a total area of approximately 0.37 million sq.ft. Our retail operations contributed 39.68% and 41.86% of our total sales in Fiscal 2016 and nine months period ended December 31, 2016.

Our *Shankara BuildPro* stores primarily focus on catering to the requirements of home owners, professional customers and small enterprises. These stores are strategically located to explore the growth opportunities in the peripheral areas of Tier-I Cities, Tier-II Cities and Tier-III Cities. As of December 31, 2016, we operated 30 stores in Tier-I Cities, 30 stores in Tier-II Cities and 43 stores in Tier-III Cities. Our stores are generally located in the periphery of these cities/towns where new developments are coming up, or in such marketplaces where building products are generally purchased. As of December 31, 2016, the average size of our store was approximately 3,624 sq.ft., and of our 103 stores, 86 stores were on leased premises while 17 stores were on owned premises. The average rental cost of our leased retail store premises stood at ₹15.97 and ₹15.99 per sq.ft. per month for Fiscal 2016 and for the nine months period ended December 31, 2016, respectively.

Our focus on our customer groups and our expanding product portfolio has also helped us improve our profitability margins. The following table captures the key growth and operating metrics of our retail stores:

Metric	As at March 31, 2012	As at March 31, 2013	As at March 31, 2014	As at March 31, 2015	As at March 31, 2016	As at December 31, 2016^	CAGR 2012 to 2016
Number of retail stores	43	55	71	88	95	103	21.92%
Total area in (sq.ft)	125,672	180,298	223,869	291,139	323,070	373,294	26.62%
Revenue Metrics							
Revenue from retail stores (₹ mn)	2,947.20	3,836.01	4,646.67	6,193.39	8,077.56	7,157.13	28.67%
Same store sales growth	30.97%	16.74%	13.25%	24.19%	28.29%	-	-
Segment Results *							
Segment Results (₹ mn)	69.11	129.34	218.25	460.71	775.38	702.83	83.02%
Segment Results per store (₹ mn)	1.61	2.35	3.07	5.24	8.16	6.82	50.12%
Segment Results per sq. ft. (₹)	550	717	975	1,582	2,400	1,883	44.53%
Segment Results per store (₹ mn) on standalone basis #	0.98	1.31	1.77	3.58	5.03	3.92	50.52%

** Segment results represents earnings before unallocated corporate expenses, interest, tax, depreciation and amortisation on a consolidated basis, unless specified otherwise*

 # Whilst, the Segment results per store of the Company on a standalone basis has increased over the five year period from FY2012 to FY2016 from ₹0.98 million to ₹5.03 million, respectively, the Company's EBITDA on a standalone basis decreased from ₹647.41 million to ₹510.46 million over the same period on account of reduced margins in the Channel and Enterprise segment.

^ Segment results for December 31, 2016 are not annualized

We primarily cater to three customer groups:

- Home owners - This customer group comprises of home builders who make purchases for personal consumption in carrying out new installations or for retrofit requirements. In order to assist such customers in resolving their specific product related queries, our stores are supervised by dedicated product experts. In semi urban locations we also cater to the specific requirements of farmers for various end-use applications. Our constant endeavour to enhance the retail experience of this customer group and build recall value with them, has resulted in consistent sales to this customer group.

- Professional customers - This customer group primarily comprises of architects, contractors, electricians, plumbers and other third party professionals or service providers who are engaged by individual home owners for carrying out new installations or for retrofit requirements. Over the past few years, we have been able to understand the unique service requirements of this customer group and diversify our product mix accordingly. Our comprehensive product portfolio, backward integrated capabilities and last mile connectivity has enabled us to improve the purchasing experience of this customer group.

- Small enterprises - This customer group primarily comprises of small entrepreneur driven companies and fabricators who buy our products as input materials and process them further into end-use products. Our products find end-use applications in diverse products including, among others, equipment (such as equipment used in farming, gyms and for other fitness activities), home furniture (such as school furniture, cupboards, grills) and street furniture (such as light poles, railings and signage). Our focus on offering an assortment of products has helped us differentiate from other speciality retailers.

In order to enhance our engagement with customers, we undertake a variety of initiatives including conducting industry meets, employing specialized and dedicated staff, and launching brand loyalty programs. We also provide product details and receive customer feedback through multiple channels such as personal visits, text messages and customer care service.

Products

To meet the varying home improvement needs of our customers, we offer a comprehensive range of branded and generic products through our stores under various categories, including construction materials, fabrication, roofing, plumbing, electricals, designs and flooring, paints, solar and irrigation. At our stores, we offer a product range of well recognised third party brands including, amongst others, Johnson, Sintex, Uttam, Futura, APL Apollo and Alstone, on a non-exclusive basis and our own brands including Century, Prince Galva and Ganga

We have been consistently expanding our product range. The table below provides the key range of products currently offered under various categories:

Product category	Key products
Construction materials	TMT, binding wire, cement, RMC, M Sand, hollow blocks, aggregates – jelly stones, scaffolding, scaffolding accessories, construction machineries and decking sheets
Fabrication	Steel, HR tubes, CR tubes, stainless steel tubes, bright rods, CR sheet, HR sheet/plate, GP sheet, GP strips, chequered plate, metal section, aluminium section, welding rods, welding products, barbed wires, wire weld mesh/chain link mesh and abrasives
Roofing	Pre-galvanised tubes, colour coated sheet, poly carbonate sheet/multiwall profiles, FRP sheets, cement sheets, turbo ventilator, GC sheets, self thread screws and purlins
Plumbing	PVC pipes, PVC fittings, CPVC pipes, CPVC fittings, pumps/motors, CP fittings, sanitary wares, and water tanks
Electricals	Electrical cable and fittings and decorative lightings
Interior-Exterior and Flooring	Tiles, kitchen sinks, designer bowls, aluminium composite panels, cladding material and wooden floorings
Paints	Paints (enamel/distemper)
Renewable energy	Solar water heaters, lightings, fencings and irrigation pumps
Irrigation	GI tubes, casing, cables and bore well accessories

Business Process

The following is a brief description of our various business processes:

Store planning and set-up process

We make forecasts for expansion of our product offerings and increase of our market share on an annual basis. As a part of our business plan, we also determine the number of new stores to be opened. Our past experience has enabled us to evolve a standardised process for setting up a new store. The process typically comprises of site evaluation, negotiations, store planning and layout and store management. We have dedicated teams overseeing the critical functions involved in a store set-up process. The site selection team identifies a site for setting up a store based on various demographic factors, such as disposable income and customer spending, concentration of our key customer profiles, upcoming construction developments in nearby areas and proximity to our supply chain network. Post-identification of a location for opening a store, site selection team shares the requirements of area, size and dimension with real estate brokers, who assist us with suitable options from which we can select a location as per our requirements. The site selection team enters into negotiations and finalises the terms for setting up a store. Upon finalisation of a store, a team is deployed to ensure that the store of a desired specification, is set-up within the pre-estimated budget and within the timelines. Once the layout is finalized, the interiors are done by one of our approved vendors. In order to maintain a consistent look of our stores across geographies, we have a pre-approved format for interiors. We follow similar thematic colours for presentation and displays, display style, colour scheme and promotions across all our stores.

Our head of operations is responsible for overall management and operations of our stores. The head of operations is assisted by regional managers in terms of hierarchy, who are responsible to ensure that the store operations are conducted in order. Each of our stores is managed by a store manager, who is supported by two sales executives, an accounts executive and required store helpers. In addition to our front-end employees, we have a back-office retail team, which is responsible for providing smooth support functions and coordination required at the backend. The product managers engage in regular meetings with the store managers, to provide product and marketing training, track the performance of the stores and understand customer feedback.

Our store lease deposits are generally nine months of rentals. The average rental cost for our leased outlets was ₹15.97 and ₹15.99 per sq.ft. per month for Fiscal 2016 and the nine months period ended December 31, 2016, respectively. We target to stabilize our rental, manpower and other expenses at around 2% of store revenues. We target to achieve cash breakeven at store levels within a year of the store being set up.

Merchandising

The sourcing and merchandising functions of our Company are performed by our in-house merchandising team. Our merchandising team prepares a store-wise merchandising procurement plan on a monthly basis, taking into account various factors such as sales projections, customer feedback, change in customer preferences and existing inventory. The procurement plans are closely monitored by our management team by means of conducting weekly meetings with product managers. Our procurement plans capture all details, including sourcing hub, quantity and the supply schedule. When the procurement plan is finalised, the product manager initiates the process of identifying the vendors, taking into account various factors such as quality of the product, brand image, customer preferences and capacity. Our product manager ensures sourcing of quality products at competitive prices. Upon the selection of the vendors, we initially display sample of the products at our stores and gradually increase our sourcing requirements based on the success of the product with our customers. In order to keep our operating costs low, we leverage the supply chain network of vendors up to a certain inventory level. Based on the success of the sample products, we place purchase orders with vendors in accordance with our procurement plans. We typically do not enter into any formal arrangements with our vendors but work on the basis of purchase orders.

Supply Chain Management

We strive to lower our inventory costs by maintaining optimum in-stock levels and efficiently monitoring customer preferences through our ERP system and MIS controls. Our supply chain centres and stores are connected through a company-wide network by using our ERP software, which we believe helps us to efficiently move products from our vendors/warehouses to the retail stores or supplying the customised products directly to our customers. We have also deployed MIS reporting systems, wherein each store manager submits a daily MIS of the inventory to the supply chain centre. Every store is required to maintain minimum pre-order levels which ensure that there is no shortfall of any product at any given point of time.

As of December 31, 2016, we operate our supply chain network, comprising of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) and own a fleet of 44 trucks. Our supply chain is focused on creating a competitive cost advantage for our customers through effective management of material and logistics. In addition to our in-house logistics fleet, we also engage third party logistic providers to deliver products in certain geographies.

Marketing

Our marketing function is primarily focussed on analysing changes in customer demographics and preferences. We have formulated a marketing plan 'permanent journey plan' (PJP) under which our marketing team engages with various customer groups at regular intervals. In addition to the regular customer interactions, we invite our customers to our stores for product knowledge and new launches. To enhance the product knowledge of our end customers, we invite product experts from our vendor companies, which also enables a high turnout at such meetings. We have also introduced loyalty programs to strengthen our relationship with our existing customers. The feedback collated by our marketing team enables us to use such details for formulating or revisiting our business plans or merchandising plans.

Enterprise Sales

In addition to sales from our retail stores, we sell products directly to enterprises for their end use. We sell third party as well as our own branded steel products to these customers. Of our total revenues in the nine months period ended December 31, 2016 and in Fiscal 2016, enterprise sales contributed about 33.35% and 32.20%. As of Fiscal March 31, 2016 and the nine months period ended December 31, 2016, our enterprise sales are widely diversified and the top 10 enterprise sales customers contributed to 7.02% and 9.93% of total enterprise sales.

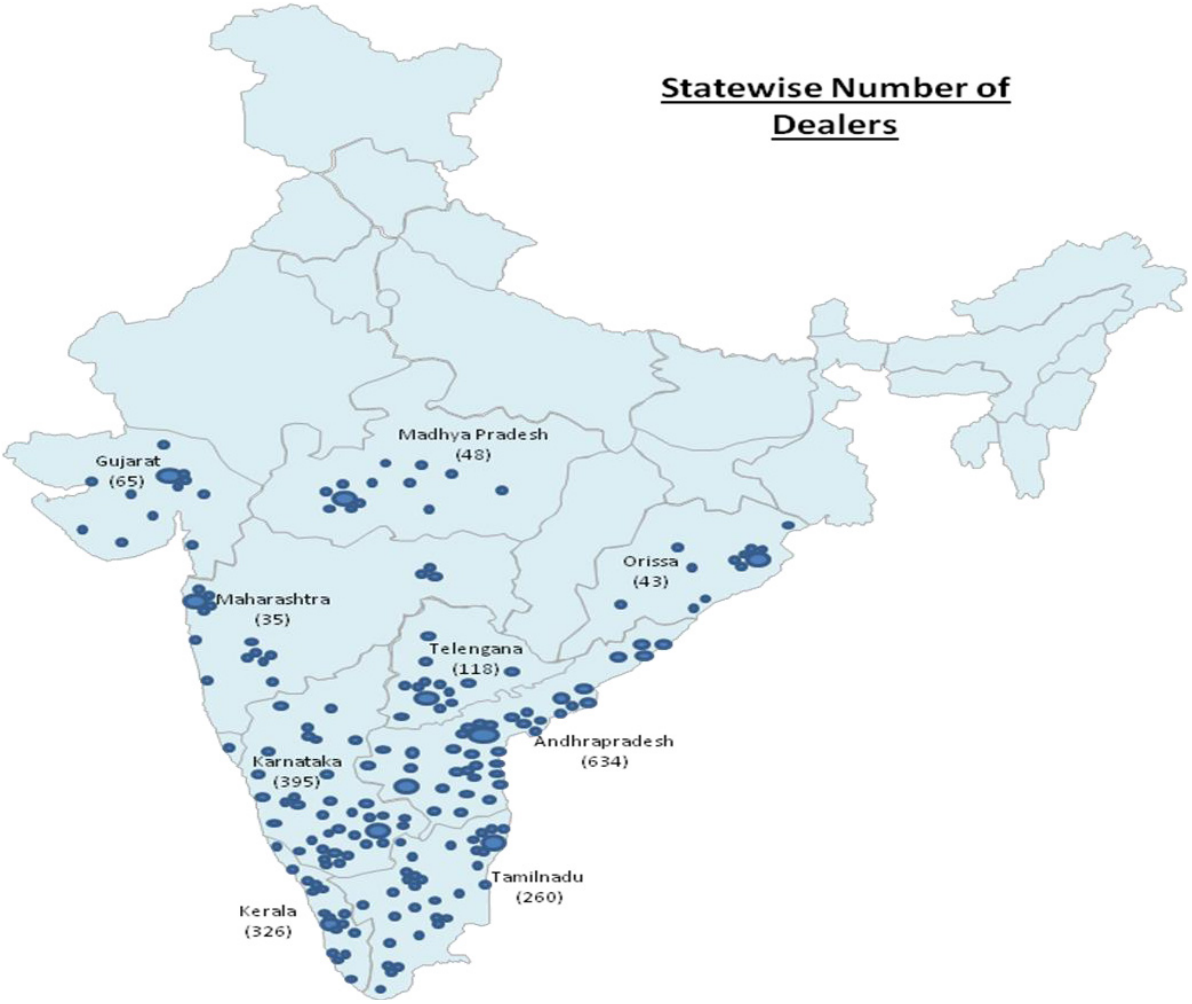
The customers in this segment have regular product requirements and are particular about specifications, quality and delivery. These customers are spread across various industries like auto ancillaries, boiler manufacturers, electrical panel boards, textile machinery, medical equipment and pharmaceuticals, construction equipment, plantation equipment,

horticulture and renewable energy, and passive telecom infrastructure amongst others. We believe that our ability to customize and provide solutions to these customers help us to firmly entrench ourselves with them. In this segment, we provide solutions to some of our customers with kit based, cut-to-size, ready-to-use assembled products. Some of the examples of our customizations are for auto and bus body manufacturers (including tubes, sheets), scaffolding (including sheets, plates, tubes, couplings) and roofing (including purlins, sheets, screws, ventilators, polycarbonate sheets, accessories, gutters, and ridges). Our presence in processing helps us deliver to specific requirements of these customers. We aim to increase the extent of such bespoke offerings in the future.

We also cater to specific one-off requirements of our direct customers for projects, including space frames for airports, metro stations and malls, city skywalks, airport tubular structures and road dividers.

Channel Sales

Other than our retail stores and enterprise sales, we sell a wide range of branded and generic steel products and other third party products through our dealer network which are on a non-exclusive basis. As of December 31, 2016, our dealer network comprised of 1,924 dealers. Of the total revenues of our Company in Fiscal 2016 and in the nine months period ended December 31, 2016, channel sales contributed about 28.13% and 24.79%, respectively. The state-wise presence of our dealer network is mapped below:



Note: The markings on the map represent dealer concentration

We conduct a market survey across various geographies to understand customer preferences and the market potential for various product categories. Basis our analysis, channel partners are identified considering various factors, such as reputation in the market, relevant product experience and their capability to meet targets. We do not have formal arrangements with any of our channel partners.

We set suitable targets for our channel partners at the start of every Fiscal. Our sales executives regularly follow-up with these channel partners to collect orders and ensure timely payments. These orders are sent to the respective sales teams which then instruct the warehouses that are located in close proximity, for execution of the orders. The procurement manager will capture all the relevant details in the procurement plans and share it with the product managers for sourcing. Our product managers ensure sourcing of the products in terms of the procurement plan from the inventory maintained at the warehouse or place appropriate orders with the processing facilities or the third party vendors. We maintain appropriate inventory levels at the warehouses based on our past experience, including sales cycles and the seasonality of the product demand. Post quality checks, the products are dispatched to the channel partners from the warehouses with the support from our in-house logistics fleet or third party service providers. Our efficient supply chain management systems supported by strong logistics capabilities have enabled us to focus on timely delivery commitment to channel partners, which we believe is also one of our key differentiators. Our marketing team is involved in regular interactions with our channel partners to assess market conditions, and obtain updates on the financial targets and performance of the channel partners.

Products

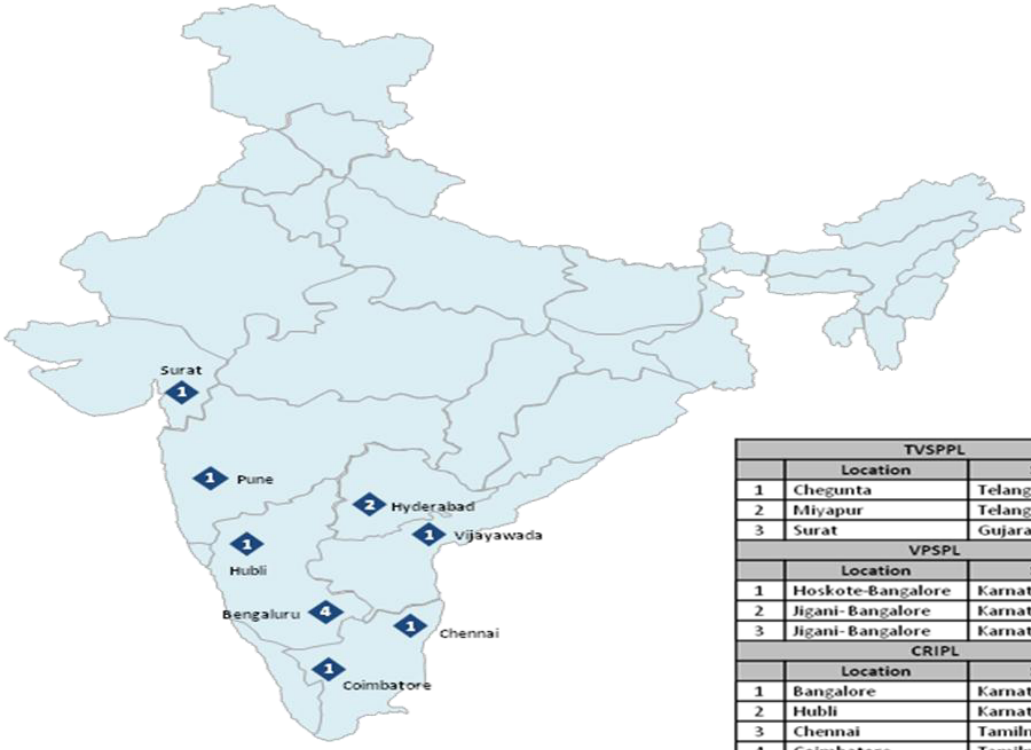
We distribute various generic and third party products such as water tanks, sanitary and CP fittings, steel pipes and tubes, steel sheets and plates, CPVC, UPVC pipes and fittings, roofing sheets, GC and GP sheets, bright rods, solar water heaters/lighting, pumps and metal sections through our dealer network. Our own brands distributed through our dealer network include Loha, PrinceGalva, Taurus, Ganga, CenturyRoof, Shankara Solar and Prince. The key third party brands we carry through our dealer network, include Johnson, Sintex, Uttam Galva, Astral Pipes and APL Apollo.

Processing Facilities

Geographical presence

As of January 31, 2017, we had 12 processing facilities for steel pipes and tubes (including precision tubes and galvanized pipes), colour coated roofing sheets, bright rods, galvanized strips and cold rolled strips. Our processing facilities are located across Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Tamil Nadu and Telangana near key demand centres. Please refer to the map below highlighting the state-wise presence of our processing facilities:

Processing Locations (No. of Processing Units)



TVSPPL		
	Location	State
1	Chegunta	Telangana
2	Miyapur	Telangana
3	Surat	Gujarat
VPSPL		
	Location	State
1	Hoskote-Bangalore	Karnataka
2	Jigani-Bangalore	Karnataka
3	Jigani-Bangalore	Karnataka
CRIPL		
	Location	State
1	Bangalore	Karnataka
2	Hubli	Karnataka
3	Chennai	Tamilnadu
4	Coimbatore	Tamilnadu
5	Vijayawada	Andhra Pradesh
6	Pune	Maharashtra

We run our processing facilities through three subsidiary companies TVSPPL, VPSPL and CRIPL. As of December 31, 2016, the details of the facilities are provided in the table below:

Facility	Location	Products manufactured	Brands	Total area (sq. ft.)	Area covered (sq. ft.)	Ownership
TVSPPL	Chegunta, Hyderabad	• Steel pipes and tubes • Galvanised strips	Taurus, Prince Galva Samrat Galva, Loha	1,129,003	229,122	Owned
	Miyapur, Hyderabad	Steel pipes and tubes		36,300 30,700	32,670 5,500	Owned Leased
	Surat, Gujarat	Steel pipes and tubes		13,700	10,000	Owned
VPSPL	Hoskote, Bengaluru	• Steel pipes and tubes • Cold rolled strips	Loha	189,922	140,000	Owned
	Jigani, Bengaluru	• Bright rods • Steel pipes and tubes		18,940	18,940	Leased
CRIPL	Bengaluru	Roofing sheets and accessories	CenturyRoof, Ganga	21,741	21,741	Owned
	Hubli			5,057	5,057	Leased
	Chennai			13,344	10,760	Owned
	Coimbatore			9,985	6,456	Leased
	Pune			11,029	11,029	Leased
	Vijayawada			8,390	8,390	Leased
Total				**1,488,111**	**499,665**	

In addition to the processing facilities listed above, we commenced production at the stainless steel pipes and tubes processing facility of VPSPL in Jigani, Bengaluru, set up on leased premises, in January 2017. As of January 31, 2017, the total area and the covered area of the facility was 20,000 sq.ft.

We ventured into processing in 2008 with a small facility in Miyapur, Hyderabad. Over a period of time we have scaled our processing facilities organically and inorganically. The following table captures the production volumes of our key products and also the significant turnaround we have been able to engineer in our acquisitions:

	Installed capacity (MTPA)				Capacity Utilisation (MT for the year/period)				
Volume in MT	**Fiscal 2014**	**Fiscal 2015**	**Fiscal 2016**	**As at December 31, 2016**	**Fiscal 2014**	**Fiscal 2015**	**Fiscal 2016**	**For December 31, 2016**	**CAGR 2014 to 2016 (%)**
By products *									
Steel pipes and tubes	113,000	151,400	198,600	230,400	105,716	136,067	187,982	160,903	33.35
Roofing sheets	10,000	19,200	27,600	32,800	3,825	15,386	22,328	19,573	141.61
Bright rods	800	6,000	6,000	6,000	420	5,091	6,397	3,906	290.51
Galvanized strips	36,000	36,000	42,000	42,000	30,969	35,318	40,359	31,781	14.16
Cold rolled strips	8,000	10,000	12,000	12,000	7,718	8,949	11,238	11,229	20.67
Total	**167,800**	**222,600**	**286,200**	**323,200**	**148,648**	**200,811**	**268,305**	**227,392**	**34.35**
By company									
TVSPPL	116,000	137,000	165,000	195,600	105,749	127,591	159,975	132,357	22.99
VPSPL*	41,800	66,400	93,600	94,800	39,074	57,833	86,002	75,462	48.36
CRIPL	10,000	19,200	27,600	32,800	3,825	15,386	22,328	19,573	141.61

Total	167,800	222,600	286,200	323,200	148,648	200,811	268,305	227,392	34.35

** In January 2017 we commenced production at the stainless steel pipes and tubes processing facility of VPSPL in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA and capacity utilization of 28 MTPA as on January 31, 2017.*
(Source: As per report dated February 8, 2017 issued by M/s. S. S. Industrial Consultants)

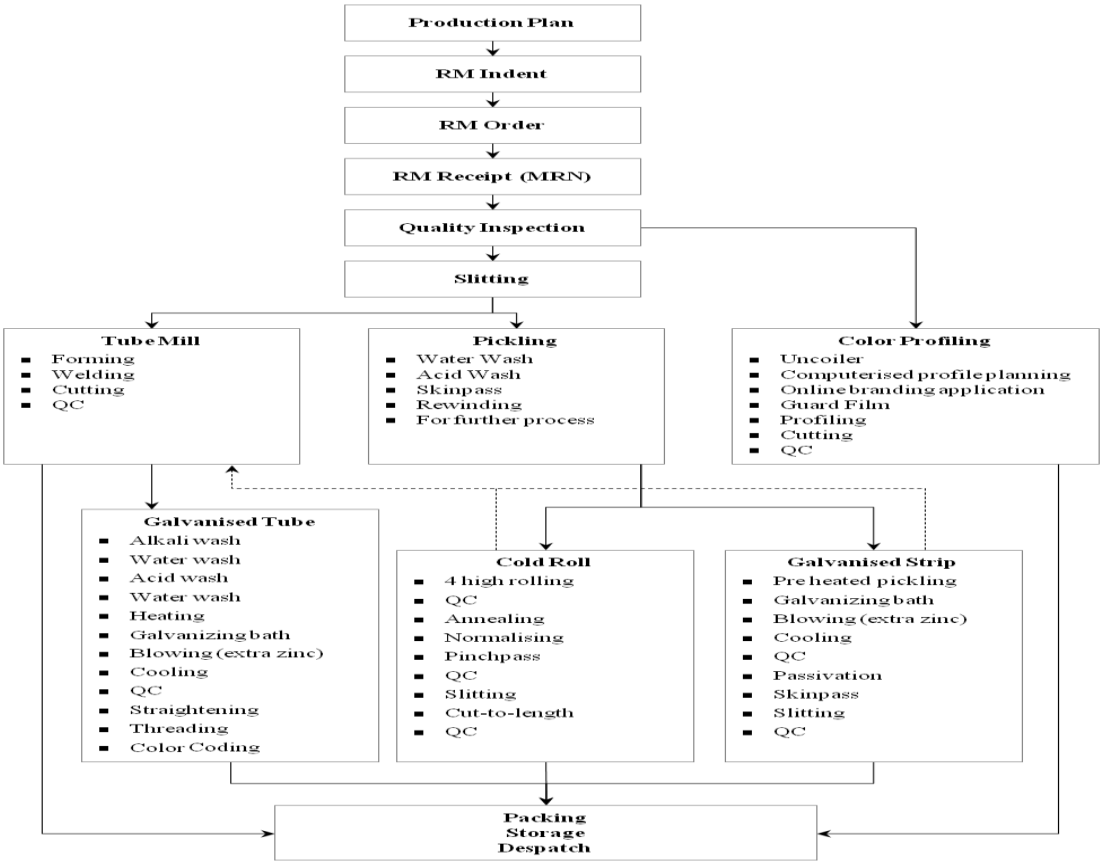
The average capacity utilization for the processing facilities stood at 93.75% for Fiscal 2016 and 93.81% (annualized) as on December 31, 2016. We have unutilized area in our processing facilities, aggregating to approximately 988,446 sq. ft., giving us the ability to further expand our existing processing facilities and increase our current business activities. For details see, *"Our Business - location and area of our processing facilities"* on page 99.

Apart from manufacturing generic products, we have in-house capabilities to meet the customization requirements of our enterprise customers.

Our objective is to ensure that we provide customers with high quality products and endeavour to adhere to high quality standards at our processing facilities. Our facilities are ISO certified. For details of quality standards maintained at our manufacturing facilities as certified from BIS, see "*Government and Other Approvals*" on page 177 of this Red Herring Prospectus.

Production Process

Our production process typically involves certain key standard functions such as production planning, processing, and storage and dispatch. The production process is indicated below:



Production planning

We have a dedicated team which is involved in formulating the production plan. The production planning team collects indents from customers and our branches on a monthly basis. These indents include details such as the size, thickness, grade, quality and quantity desired by the customers or the branches. Based on these indents the production planning team checks the manufacturing capacity and rolls out a program allocating specifications to the tube mills and other appropriate machinery. The production planning team places the requirements of the raw materials with the purchase department, which then co-ordinates for sourcing the specified raw materials from our vendors. The raw materials received from the vendors

are verified by the production planning team against the indents and suppliers invoice, and stored in their specific location upon verification.

Processing

On receipt of the raw materials, we commence processing of the coil as per the rollout program. The processing activity starts with slitting of the coil for cutting it into number of smaller coils of narrower margins. Post slitting, the coils are sent to the tube mills for roll forming, welding or cutting for further handling or usage, or for pickling before any further processing is to be done (viz. cold roll and galvanising). Upon completion of the cold roll or the galvanising process, the materials are sent to the tube mills for further processing or to the packaging team for dispatch. In case of roofing solutions, the raw materials received are channelized to the facility for colour profiling post the quality check. The sheets are customized and processed as per the specification given in the rollout program.

The head of works at the facilities is responsible for production, quality and achieving yield targets. Their responsibility also includes management of labour, consumables, machinery spares and all other supporting functions required to run the factories efficiently.

Quality check

Upon completion of the processing activity, the products undergo a thorough quality check before they are sent for further processing for finishing. After the completion of the finishing activities the products are again verified by the quality team before they are sent to warehouses for packaging and dispatch. The finishing process includes straightening, threading, skinpass and coding. In addition to the post processing and pre-dispatch quality checks, the quality team conducts continuous sample checks from the production lines and subjects it to quality tests as per BIS/ISO norms. We have an independent quality team which is entrusted with the responsibility to ensure that the production quality is maintained as per the pre-approved standards. Online feedback is given to the production team for corrective action, if necessary.

Storage and dispatch

The finished products are packaged and stored in stipulated locations awaiting dispatch or are dispatched through trucks to various destinations as per orders received. This entire function is handled by the logistics department.

Utilities

The power requirements for our processing facilities are met through arrangements with the respective state electricity boards. We also keep diesel generator sets for standby arrangements. We use ground water and water from local corporations for processing, and most of the water discharged from our processing facilities is recycled.

Information Technology

We have implemented a company-wide ERP system. This system is used to manage and co-ordinate all resources, information and functions of the business on a real-time basis. The ERP system helps in integration of different functional areas to ensure proper communication, productivity, quality and efficiency in decision making. It further helps in tracking customer demands and assisting in maintaining optimum inventory levels. We have a dedicated IT team which is involved in maintaining the ERP system.

Human Resource

As of December 31, 2016, we had 1,273 permanent employees on the payroll of our Company and Subsidiaries. The following table sets forth the break-up as of December 31, 2016:

Sr. No.	Departments	No. of Employees
1.	Sales and marketing	389
2.	Finance, accounts and administration	278
3.	Supply chain management and procurement	170
4.	Operations	436
	Total	**1,273**

In addition to the employees listed above, we also engage contract labourers to facilitate our processing operations. As of March 31, 2016 and December 31, 2016, we engaged 505 and 640 contract workers, respectively. Our Company is in

compliance with the Contract Labour (Regulation and Abolition) Act, 1970, and the rules prescribed thereunder in this regard.

The frequency distribution for salaries paid to employees in various pay brackets as on March 31, 2016, is as follows:

Pay bracket (Rs. per annum)	Number of employees on payroll	Total employees including contract employees
Up to 100,000	13	13
100,000 to 200,000	591	1,055
200,000 to 500,000	575	610
500,000 to 1,000,000	54	59
Above 1,000,000	20	21
Total	**1,253**	**1,758**

Training

Our human resource policies are aimed towards creating a skilled and motivated work force. We train our employees with the focus of creating a sense of ownership amongst the employees for the responsibilities assigned to them. Our training modules focus on enhancing their technical and inter-personal skills and training them to assume cross-functional responsibilities.

Intellectual property

For details on our intellectual property rights, see "*Government and Other Approvals*" on page 177 of this Red Herring Prospectus.

Competition

While we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company, we face competition for each of our product category from established standalone stores in the organised sector as well as fragmented, unorganised hardware stores. The increasing presence of manufacturer driven organised stores highlights the scope of expansion of organised players in this segment. However, currently the scale of wide product offerings from various third party brands at our stores is not comparable to such other stores. To stay ahead of our competition, we focus on responding to the rapidly changing market demands and consumer preferences, and offering our customers a comprehensive range of products catering to their diverse requirements and needs, at competitive prices.

Insurance

We maintain insurance policies for our retail and manufacturing business which is customary for our industry. These include policies in relation to burglary, fire and special perils, directors' and officers' liability, vehicles, raw material and finished and semi-finished stock. Additionally, we maintain group health insurance and group personal accident insurance policies for our employees.

Corporate Social Responsibility

We undertake various social initiatives and believe that it forms a key part of our values. These initiatives are undertaken in partnership with various non-profit organisations. Over the years, we have been associated with many non-profit organisations for conducting various programs focussing on women empowerment, health camps for cancer patients in rural and urban areas, providing treatment and medical care for people living with HIV and AIDS, providing free medical services for disadvantaged elderly people, and promoting child rights for economically underprivileged kids. In addition to our focus on community development programs, we have sponsored and extended our support for literature and conventional music festivals.

The CSR Committee is entrusted with the primary responsibility of formulating the CSR policy of the Company and conducting various community welfare programs. They identify the community welfare program partners, and review and monitor the implementation of the various social initiatives. Our Company's spend on the CSR activities has been less than the limits prescribed under the Companies Act, 2013 for Fiscal 2016. Going forward, the Company will endeavour to spend on CSR activities in accordance with the prescribed limits. The deficiency in spending the requisite amount has been disclosed by the Company in its director's report which forms part of the financial statements for Fiscal 2016, in accordance with the Companies Act, 2013. For further details in relation to the constitution of the CSR Committee and their terms of reference, see "*Our Management – Corporate Social Responsibility Committee*" on page 129 of this Red Herring Prospectus.

Property

Our registered and corporate office situated at G2, Farah Winsford, No.133 Infantry Road, Bengaluru 560 001, Karnataka, India, is owned by us.

As of December 31, 2016, we owned 2.25 million sq.ft. of freehold land across eight states in India. Most of our freehold properties are utilised for conducting our business operations. As of December 31, 2016, 1.33 million sq.ft was utilised for setting up processing facilities, 0.36 million sq.ft. was utilised for building warehouses, 0.09 million sq.ft. was utilised for setting up our retail stores and 0.01 million sq.ft. was utilised for setting up offices. In addition to the properties utilised for conduction our business operations, 0.45 million sq.ft. was held as vacant land as of December 31, 2016.

In addition to certain retail stores being operated from our freehold properties, majority of our retail stores are operated from leasehold premises. As of December 31, 2016, 86 retail stores were operated from leasehold premises.

REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations applicable to our Company and our Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We operate in retail trading and manufacturing segments. For further details, see "*Our Business*" on page 90.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see "*Government and Other Approvals*" on page 176.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

Regulations regarding foreign investments

Under the current consolidated FDI Policy, effective from June 7, 2016, issued by the DIPP including any modifications thereto or substitutions thereof , issued from time to time (the "**Consolidated FDI Policy**") which, 100% FDI through automatic route is permitted in the manufacturing sector.

Single Brand Retail Trading

Under the Consolidated FDI Policy, up to 100% FDI is permitted in single brand product retail trading subject to compliance with certain specified conditions. In accordance with the terms of the Consolidated FDI Policy, 49% foreign investment into single brand product retail trading is permitted under the automatic route, and any investment in excess of 49% will require government approval.

Multi Brand Retail Trading

Under the FDI policy, FDI up to 51% is permitted in multi brand retail trading, under the government approval route, subject to compliance with certain specified conditions.

Further, pursuant to the Consolidated FDI Policy, investments by non-resident investors up to 49% or the sectoral cap, whichever is lower, are permitted in companies operating in government approval sectors, without complying with the approval requirement and sectoral conditions, provided such investment is made through the portfolio investment scheme route.

Tax related legislations

Service Tax

Chapter V of the Finance Act, 1994, as amended, (the "**Finance Act**") provides for levy of service tax in respect of taxable services as defined under the Finance Act. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the government. Every person who is liable to pay service tax must register with appropriate authorities. According to Rule 6 of the Service Tax Rules, 1994 (the "**Service Tax Rules**"), assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates.

The Central Sales Tax Act, 1956 ("CST Act")

Central sales tax ("**CST**") is levied on the sale of moveable goods within India in the course of inter-state trade or commerce and is governed by the provisions of the CST Act. If the goods move between states pursuant to a sale arrangement, then the taxability of such sale is determined under the CST. On the other hand, the taxability of a sale of movable goods within the jurisdiction of a state is determined as per local sales tax/value added tax legislation enacted within such states.

Value added tax ("VAT")

The levy of sales tax within states is governed under applicable VAT related statutes enacted by respective states. VAT has resolved the problem of double taxation that was being levied under the hitherto system of sales tax. Under the current regime of VAT, the trader of goods has to pay VAT only on the value added on the goods sold. Hence VAT is a multi-point

levy on each of the entities in the supply chain with the facility of set-off of input tax, which is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax. Periodical returns are required to be filed with the concerned VAT department of the respective states by the Company.

Goods and Service Tax Act, 2016 ("GST Act")

On August 8th, 2016, the Lok Sabha unanimously passed the 122nd Constitutional Amendment Bill, thereby introducing the GST regime. GST provides for imposition of tax on the supply of goods or services andis levied at two levels, central GST, and state GST, along with an integrated GST, for inter-state supply of goods or services. GST replaces a majority of indirect taxes and duties that are in place currently at the central and state levels, and is applicable on all goods with the exclusion of alcohol for human consumption, real estate and electricity.

Central Excise Act, 1944 ("Excise Act") and the Central Excise Tariff Act 1985 ("CETA")

Under the Excise Act, duty is imposed on "excisable goods" manufactured or produced in India. The term "manufacture" is defined as any process incidental, or ancillary to completion of the manufactured product, or as specified in the first schedule of CETA, or is in relation to goods in the third schedule of CETA, and includes packaging or re-packaging, labelling or re-labelling, declaration or alteration of retail sale price. The Excise Act requires every person who produces, manufactures, carries on trade, holds private storeroom or warehouse, or otherwise uses excisable goods to obtain registration.

CETA provides for classification of excisable goods and prescribes the rates of excise duties for various goods. The Central Government may, by notification, exempt certain specified goods from excise duty. CETA also provides the power to the Central Government to increase rate of excise duty when circumstances so warrant.

Environmental regulations

We are subject to various environmental regulations as the operation of our establishments might have an impact on the environment. The basic purpose of such statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), have been set up in each state and at a central level. Establishments, as prescribed under various regulations may be required to obtain consent orders from the PCBs. These consent orders are required to be renewed periodically.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Water (Prevention & Control of Pollution) Cess Act, 1977 ("Water Cess Act") and Water (Prevention & Control of Pollution) Cess Rules, 1978 ("Water Cess Rules")

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries by local authorities constituted under the Water Act, with a view to augment the resources of the central and State PCBs for the prevention and control of water pollution.. The Water Cess Rules have been notified under Section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 ("EPA")

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

An "occupier" has been defined as any person who has control over the affairs of a factory or premises or any person in possession of hazardous waste. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from concerned PCBs, for handling, generating, collecting, processing, treating, packaging, storing, transporting, using, recycling, recovering, pre-processing, co-processing, offering for sale, or the like of the hazardous and other wastes.

Industrial and Labour Laws

Shops and establishments legislations in various states

The provisions of shops and establishment legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of *inter alia* registration, opening, and closing hours, daily and weekly working hours, holiday, leave, health and safety measures, and wages for overtime work. Our Company's offices, as may be required, have to be registered under the shops and establishments legislations of the state where they are located.

The Factories Act, 1948 ("Factories Act")

The Factories Act defines a "factory" to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and, any premises where there are at least twenty workers even though there is 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 in accordance with the Factories Act for different offences in case of contravention of any provision thereof and in case of a continuing contravention after conviction, an additional fine for each day of contravention may be levied.

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;
- 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;
- Employees Compensation Act, 1923;
- Equal Remuneration Act, 1976;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Industrial Employement (Standing Order) Act, 1946; and
- Child Labour (Prohibition and Abolition) Act, 1986.

Other applicable laws

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number, and matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) permitting the establishments to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and (c) more stringent punishment for violation of provisions.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trade Marks for the purposes of the Trade Marks Act. It also provides for penalties for infringement, falsifying, and falsely applying trademarks and using them to cause confusion among the public.

The Bureau of Indian standards Act, 1986 ("BIS Act")

The BIS Act provides for the establishment of a bureau for standardization, marking and quality certification of goods. Functions of the bureau include, *inter-alia,* (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as Shankara Pipes India Private Limited on October 13, 1995 at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on August 28, 2007 in the name of Shankara Pipes India Limited. The name of our Company was subsequently changed to Shankara Infrastructure Materials Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on March 25, 2011. The change of name of our Company from Shankara Pipes India Limited to Shankara Infrastructure Materials Limited was undertaken to replicate our business focus of offering infrastructure materials to our customers. Thereafter, the name of our Company was changed to Shankara Building Products Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 27, 2016. The change of name of our Company from Shankara Infrastructure Materials Limited to Shankara Building Products Limited was consequent to our shifting focus from offering a range of infrastructure materials to offering to a wider product range of building products to our customers.

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
September 1, 2006	Shifted from 27, 2nd Cross, CSI Compound Mission Road, Bengaluru 560 027, Karnataka to G-2, Farah Winsford, No. 133, Infantry Road, Bengaluru 560 001, Karnataka

The change in the registered office was made to move into premises owned by the Company.

Main Objects of our Company

The main objects contained in the Memorandum of Association are as follows:

"*1. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Steel Pipes, Tubes and Pipe Fittings, Iron and Steel , PVC Rigid Pipes and Pipe Fittings, PVC Products, Moulded Plastic Products, Plastic Furniture and allied products of all kinds and descriptions.*

2. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sections made out of Aluminum, Steel, Stainless Steel and other Metals and allied products of all kinds and descriptions.

3. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Fabrication including welding products, Roofing, construction, Irrigation and Hardware products of all kinds and descriptions and with Fabrication Machinery products of all kinds and descriptions.

4. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sanitary ware, CP Fittings, Ceramic & Clay tiles & a complete range of plumbing products. And flooring material, including but not limited to ceramic, polished, vitrified, glazed, unglazed, wooden, granite, marble, tiles and stone flooring material and all natural and manufactured flooring products, plywood and all kinds of products made of wood, including but not limited to all types of furniture for domestic, commercial, industrial and outdoor applications.

5. To carry on the business of purchase, manufacture, supply, distribution, import, export, sale or to otherwise deal with electrical products, including but not limited to, lights, fans, cables, wires, switches and all kinds of electronics, including all kinds of kitchen items, and solar water heaters and all kinds of solar powered products. and all varieties and types of paints and related products, including but not limited to chemical formulations, primer and metal paints, and all kind of construction material, including but not limited to cement, RMC and related aggregators, such as jelly and sand."

The main objects as contained in the Memorandum of Association 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 69.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company.

Date of shareholders' resolution	Particulars
March 9, 2001	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹5,000,000 divided into 500,000 equity shares of ₹10 each to ₹25,000,000 divided into 2,500,000 equity shares of ₹10 each
September 4, 2001	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹25,000,000 divided into 2,500,000 equity shares of ₹10 each to ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each
March 18, 2005	Clause III (C) of the MoA was altered to include the following: "*10. To carry on the business of generation of power and energy including that of Hydel Power, Thermal Power, Atomic Power, Nuclear Power, Wind Mill Power and the like of all kinds and descriptions and to carry on the business of supply and distribution of power of all kinds and description*"
March 18, 2005	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each to ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each
July 30, 2007	Clause I of the MoA was amended upon conversion from a private limited company to a public limited company and change of the name of the Company by deletion of the word private from private limited to public limited
September 29, 2007	Clause V of the MoA was amended to reflect the increase in authorized share capital from ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each to ₹250,000,000 divided into 25,000,000 equity shares of ₹10 each
November 12, 2007	Clause III (C) of the MoA was altered to include the following objects: "*11. To carry on the business such as to undertake e-portal services related to plumbing, electrical, fabrication, electronic, carpentary and construction related activities for domestic apartments, houses, commercial complexes, other buildings of whatever categorization for the business/social/education, training, guesthouse, hostel/hotel complexes and buildings of all sorts of infra-structural activities, carry on the activities such as conducting training programme, courses, seminars on e-portal services, in respect of the companies activities, issue advertisement, journals, bulletins, course materials, news letters, circulars, books, electronic devices, set up establishments for training of all related activities providing e-portal services in India or elsewhere, to carry on the services of management consultancies in the above activities, enter into periodical contracts, to collect revenues/incur the expenses of varied nature on all the above, to deal in all kinds of automation systems as required, to promote, organize seminar, exhibition, centres develop all sorts of designs, conduct research to carry on the activities in whatsoever systems procedures so required in the field"*
November 23, 2007	Clause III (B) of the MoA was altered to include the following ancillary objects: "*1. To Carry on the business more efficiently by improved means, to acquire plant and machinery appliances, apparatus, implements and instruments which may be required to carry out and to undertake sales and services through electronic media, E-portal services, electronic data maintaining related to plumbing, electrical, fabrication, electronic, carpentry and construction related activities, for, residential apartments, houses, commercial complexes ,other buildings of whatever categorization for the business/ social /education, training, guesthouse, hostel/ hotel complexes, and buildings of all sorts of infra-structural activities, carry on the activities such as conducting e-conferencing, e- training programme, on-line courses, e- seminars on e-portal services, in respect of the company's main activities, issue advertisement, journals, bulletins, course-materials, news letters, circulars, books, electronic devices, set up establishments for training of all related activities providing E-portal services in India or elsewhere, to carry on the services of management consultancies in the above activities, enter in to periodical contracts, to collect revenues / incur the expenses of varied nature on all the above , to deal in all kinds of automation systems as required, to promote, organize seminar, exhibition, centers develop all sorts of designs, conduct research to carry on the activities in whatsoever systems procedure so required in the field for the attainment of the main objects.*"
August 28, 2014	Clause III (A) of the MoA was altered to include the following main objects: "*5. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sanitary ware, CP fittings, Ceramic & Clay tiles & a complete range of plumbing products*"
July 8, 2016	Clause I of the MoA of Company was be amended to reflect the new name of the Company,

Date of shareholders' resolution	Particulars
	Shankara Building Products Limited
September 19, 2016	Clause III(A) of the MoA was altered to amend the following main objects from: "*1. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Steel Pipes, Tubes and Pipe Fittings, Iron and Steel and allied products of all kinds and descriptions.* *2. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with PVC Rigid Pipes and Pipe Fittings, PVC Products, Moulded Plastic Products, Plastic Furniture and allied products of all kinds and descriptions.* *3. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sections made out of Aluminum, Steel, Stainless Steel and other Metals and allied products of all kinds and descriptions.* *4. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Fabrication including welding products, Roofing, construction, Irrigation and Hardware products of all kinds and descriptions and with Fabrication Machinery products of all kinds and descriptions* *5. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sanitary ware, CP Fittings, Ceramic & Clay tiles & a complete range of plumbing products.*" , to "*1. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Steel Pipes, Tubes and Pipe Fittings, Iron and Steel , PVC Rigid Pipes and Pipe Fittings, PVC Products, Moulded Plastic Products, Plastic Furniture and allied products of all kinds and descriptions.* *2. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sections made out of Aluminum, Steel, Stainless Steel and other Metals and allied products of all kinds and descriptions.* *3. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Fabrication including welding products, Roofing, construction, Irrigation and Hardware products of all kinds and descriptions and with Fabrication Machinery products of all kinds and descriptions.* *4. To carry on the business of manufacture, process, purchase, sell or otherwise to deal with Sanitary ware, CP Fittings, Ceramic & Clay tiles & a complete range of plumbing products. And flooring material, including but not limited to ceramic, polished, vitrified, glazed, unglazed, wooden, granite, marble, tiles and stone flooring material and all natural and manufactured flooring products, plywood and all kinds of products made of wood, including but not limited to all types of furniture for domestic, commercial, industrial and outdoor applications.* *5. To carry on the business of purchase, manufacture, supply, distribution, import, export, sale or to otherwise deal with electrical products, including but not limited to, lights, fans, cables, wires, switches and all kinds of electronics, including all kinds of kitchen items, and solar water heaters and all kinds of solar powered products. and all varieties and types of paints and related products, including but not limited to chemical formulations, primer and metal paints, and all kind of construction material, including but not limited to cement, RMC and related aggregators, such as jelly and sand.*" Clause III(B) of the MoA was altered to amend the following ancilliary object from: "*To establish, purchase or to otherwise acquire and to manage shops and establishments in furtherance to the objects of the company*", to "*To establish, purchase or to otherwise acquire and to manage shops and establishments in furtherance to the objects of the company, and to provide all kinds of services associated with products sold at the shops and establishments, including services provided in relation to construction and home improvement, such as plumbing services, installation services, electrical services and carpentry services.*"

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
1995	Incorporation of Company
2002	Received ISO 9001: 2008 certification from NQA
2003	• Opened an integrated warehousing facility of 55,000 sq. ft. at Veerasandra, Bengaluru • Achieved ₹1 billion turnover
2006	Commenced retail operations by opening the first retail store in Bengaluru
2007	Commenced retail operations in Gujarat and Goa
2008	Commenced retail operations in Odisha
2009	Achieved ₹1 billion turnover in the retail segment
2010	Acquired the precision tube processing unit in Bengaluru through acquisition of VPSPL
2011	• Raised private equity investment of ₹800 million • Constructed a processing facility in Hyderabad • Achieved ₹10 billion + turnover
2013	• Acquired a roofing products company – CRIPL • Commenced retail operations in Puducherry
2015	• Launched own private label brands – Taurus, Prince Galva Plus and Loha • Crossed ₹6 billion turnover in the retail segment in Financial Year 2015, accounting for 31.00% of overall revenues of our Company • Added new product category of water tanks • Listed among the top 200 best unlisted Indian companies by Business Standard
2016	• Achieved ₹20 billion + turnover • Added new products categories – cement, tiles, scaffolding and solar products • Crossed ₹8 billion turnover in the retail segment, accounting for 39.68% of overall revenues of our Company • Commenced operations at the 100th retail store

Awards and Accreditations

We have been given the following awards and accreditations:

Year	Awards and Accreditations
2002	• Commendation award for highest sales by Tube Products of India • Best Performance Award (STP) by Tata Pipes
2005	• 'Emerging India Award' in the category 'Retail & Trade' by CRISIL, ICICI Bank & CNBC TV • J N Tata Award as the best Distributor 2004 - 05 by the tubes division of Tata Steel Limited
2008	Star Retail Distribution Category A for 2007 - 08 by Tata Pipes
2010	Certificate of excellence for winning a place in the Platinum Tier by Astral
2012	'Star Performer – Irrigation' Award by Tata Steel Tubes SBU
2013	Gold Distributor 2012 - 13 by Astral
2015	Star Performer (II) – Karnataka and Andhra Pradesh for ERW Pipes and Tubes by Jindal Pipes Limited and Maharashtra Seamless Limited
2016	Best Emerging Dealer in Bengaluru 2015 - 16 by Johnson

Other details regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company in relation to prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, market capacity build-up, environmental issues, marketing and competition, see "*Our Business*" and "*Industry Overview*" on pages 90 and 78 respectively.

For details regarding our management and its managerial competence, see "*Our Management*" on page 120.

For details regarding profits due to foreign operations, see "*Financial Statements*" on page 142.

Strikes and lock-outs

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 59, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see "*Financial Indebtedness*" and "*Financial Statements*" on pages 170 and 142, respectively.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

Time and cost overruns

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

Changes in the activities of our Company during the last five years

Our Company was incorporated with a focus on distribution of steel products. In the Financial Year 2006, our Company also entered into the business of operating retail stores. Subsequently, in Financial Year 2011 we acquired a tube processing facility at Bengaluru. Except for the inclusion of new product ranges as stated above in amendments to our Memorandum of Association, there has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors. For details, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 90 and 150, respectively.

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Partnership firms

Our Company is not a partner in any partnership firm.

Interest in our Company

None of our Subsidiaries have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial Statements*" on page 90 and 142, respectively.

Our Shareholders

Our Company has 61 Shareholders as of the date of this Red Herring Prospectus. For further details regarding our Shareholders, see "*Capital Structure*" on page 65.

Strategic or Financial Partners

Fairwinds (acting in the capacity of trustee of Reliance Alternative Investments Fund – Private Equity Scheme I) is a financial investor our Company. Our Company does not have any strategic or financial partner as on the date of this Red Herring Prospectus.

Our Subsidiaries

Our Company has 4 Subsidiaries. Unless stated otherwise, information in relation to our Subsidiaries is as on the date of this Red Herring Prospectus.

1. *Centurywells Roofing India Private Limited ("**CRIPL**")*

   Corporate Information

   CRIPL was incorporated on November 29, 2002 as a private limited company under the Companies Act, 1956 with the corporate identity number U28112TN2002PTC049959. It has its registered office at 23/6A, Vellanthangal Village, Irunkattu Kottai, Sriperumbudur, Kancheepuram 602 105, Tamil Nadu, India.

CRIPL is primarily engaged in the business of, *inter alia*, manufacturing, assembling, processing, trading, importing, exporting or otherwise dealing in all kinds of sheets, steel roofing, walling, accessories, steel structure and purlins used for construction of different types of building structures.

Capital Structure

The authorised share capital of CRIPL is ₹50,000,000, divided into 500,000 equity shares of ₹100 each and the issued and paid up share capital of CRIPL is ₹19,992,000, divided into 199,920 equity shares of ₹100 each.

Shareholding

As on the date of this Red Herring Prospectus, SNHL holds 199,920 equity shares of ₹100 each, of which one equity share of CRIPL is held beneficially by our Promoter on behalf of SNHL, aggregating to 100% of the issued and paid up share capital of CRIPL.

Financial Information

The following information has been derived from the audited financial statements of CRIPL for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the nine-months period ended on December 31, 2016	For the Financial Year		
		2016	2015	2014
Equity capital	19.99	19.99	19.99	19.99
Revenue from operations and other income	1,310.80	1,364.46	1,075.42	597.71
Profit/Loss after tax	48.39	40.73	9.25	(18.61)
Reserves (excluding revaluation reserves) and surplus	95.53	47.14	6.41	(2.84)
Basic Earnings per share (1)	242.06	203.73	46.27	(93.09)
Diluted earnings per share (1)	242.06	203.73	46.27	(93.09)
Net Asset Value per share (2)	577.85	335.79	132.05	85.79

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital)/(number of shares outstanding at the end of the period)

2. Steel Network Holdings Pte Ltd ("**SNHL**")

Corporate Information

SNHL was incorporated on September 12, 2013 as a limited private company in the Republic of Singapore under the Companies Act, Cap. 50 with registration number 201324866N. It has its registered office at 89 Short Street, #B1-11, Golden Wall Centre, Singapore 188216.

SNHL is primarily engaged in the business of manufacture, distribution of roofing sheets, steel pipes and general hardware and general wholesale trade (including general importers and exporters).

Capital Structure

The issued and paid up capital of SNHL is USD 2,000,000 divided into 2,000,000 ordinary shares of USD 1 each.

Shareholding

As on the date of this Red Herring Prospectus, our Company holds 2,000,000 ordinary shares of USD 1 each aggregating to 100% of the issued and paid up capital of SNHL.

Financial Information

The following information has been derived from the audited financial statements of SNHL for the last three Financial Years:

(in USD, except per share data)

Particulars	For the nine-months period ended on December 31, 2016	For the Financial Year		
		2016	2015	2014

Equity capital	2,000,000	2,000,000	2,000,000	2,000,000
Revenue from operations and other income	-	-	-	-
Profit/Loss after tax	(8,944)	(4,603)	(10,741)	(11,197)
Reserves (excluding revaluation reserves) and surplus	(35,485)	(26,541)	(21,938)	(11,197)
Basic Earnings per share [1]	(0.00)*	(0.00)*	(0.01)	(0.01)
Diluted earnings per share [1]	(0.00)*	(0.00)*	(0.01)	(0.01)
Net Asset Value per share [2]	0.98	0.99	0.99	0.99

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital) /(number of shares outstanding at the end of the period)
* Less than 0.01

3. *Taurus Value Steel & Pipes Private Limited ("**TVSPPL**")*

Corporate Information

TVSPPL was incorporated on August 1, 2009 as a private limited company under the Companies Act, 1956 with the corporate identity number U28112AP2009PTC064592. Subsequent to the bifurcation of states of Andhra Pradesh and Telangana, TVSPPL's corporate identification number has been changed to U28112TG2009PTC064592. It has its registered office at Survey No. 487, Bachupally Village, Kutbullapur Mandal 501 401, Andhra Pradesh, India.

TVSPPL is primarily engaged in the business of, *inter alia*, manufacturing, processing, drawing, assembling, purchasing, selling or otherwise dealing in steel pipes, tubes and pipe fittings, iron and steel and allied products of all kinds and description.

Capital Structure

The authorised share capital of TVSPPL is ₹20,000,000, divided into 2,000,000 equity shares of ₹10 each and the issued and paid up share capital of TVSPPL is ₹15,101,000 divided into 1,510,100 equity shares of ₹10 each.

Shareholding

As on the date of this Red Herring Prospectus, our Company holds 1,510,000 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of TVSPPL. Our Promoter holds 100 equity shares of ₹10 each aggregating to 0.01% of the issued and paid up share capital of TVSPPL, beneficially in favour of our Company.

Financial Information

The following information has been derived from the audited financial statements of TVSPPL for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the nine-months period ended on December 31, 2016	For the Financial Year		
		2016	2015	2014
Equity capital	15.10	15.10	15.10	15.10
Revenue from operations and other income	4,831.66	5,471.63	4,999.91	2,088.92
Profit/Loss after tax	142.65	189.11	148.40	42.53
Reserves (excluding revaluation reserves) and surplus	657.82	515.57	326.07	177.66
Basic Earnings per share [1]	94.46	125.23	98.27	57.11
Diluted earnings per share [1]	94.46	125.23	98.27	57.11
Net Asset Value per share [2]	445.61	351.15	225.94	127.66

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital) /(number of shares outstanding at the end of the period)

4. *Vishal Precision Steel Tubes and Strips Private Limited ("**VPSPL**")*

Corporate Information

VPSPL was incorporated on December 4, 1991 as a private limited company under the Companies Act, 1956 with the corporate identity number U00291KA1991PTC012581. It has its registered office at Plot No.47, Industrial Area, Hoskote, Bengaluru 562 114, Karnataka, India.

VPSPL is primarily engaged in the business of, *inter alia*, manufacturing, repairing, importing, exporting, and dealing in all kinds of steel conduit pipes, pipes and tubes including mild steel, stainless steel, carbon steel, seamless ERW pipes, GI pipes, hydraulic pipes, boiler tubes, heat exchange tubes and PVC tubes.

Capital Structure

The authorised share capital of VPSPL is ₹50,000,000, divided into 500,000 equity shares of ₹100 each and the issued and paid up share capital of VPSPL is ₹35,000,000 divided into 350,000 equity shares of ₹100 each.

Shareholding

As on the date of this Red Herring Prospectus, our Company holds 3,49,600 equity shares of ₹100 each aggregating to 99.89% of the issued and paid up share capital of VPSPL. Our Promoter holds 400 equity shares of ₹100 each aggregating to 0.11% of the issued and paid up share capital of VPSPL beneficially in favour of our Company.

Financial Information

The following information has been derived from the audited financial statements of VPSPL for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the nine-months period ended on December 31, 2016	For the Financial Year		
		2016	2015	2014
Equity capital	35.00	35.00	35.00	35.00
Revenue from operations and other income	2,963.05	3,215.60	2,717.70	1,995.31
Profit/Loss after tax	84.39	74.88	39.73	24.06
Reserves (excluding revaluation reserves) and Surplus	347.79	263.40	188.52	148.80
Basic Earnings per share (1)	241.12	213.93	113.51	68.75
Diluted earnings per share (1)	241.12	213.93	113.51	68.75
Net Asset Value per share (2)	1,093.69	852.57	638.63	525.14

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital)/(number of shares outstanding at the end of the period)

None of the Subsidiaries (i) are listed on any stock exchange in India or abroad; (ii) have become a sick company under the meaning of SICA; or (iii) are under winding up.

Summary of Key Agreements

Unless otherwise defined or repugnant to the context thereof, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements.

*Subscription agreement dated February 24, 2011 executed among our Promoter, our Company, other than existing Shareholders and Reliance PE Scheme I through its trustee Fairwinds ("**Fairwinds SA**")*

Our Company entered into the Fairwinds SA pursuant to which, Reliance PE Scheme I agreed to subscribe to and the Company agreed to issue 6,049,937 Equity Shares at a price of ₹105.16 per Equity Share and 1,557,380 CCDs at a price of ₹105.16 per CCD to Reliance PE Scheme I, for an aggregate consideration of ₹800,000,000 constituting 34.8% of the fully diluted share capital of the Company. The Fairwinds SA also provided Reliance PE Scheme I the right to further subscribe to securities of the Company for an aggregate price of ₹200,000,000 ("**Second Tranche Shares**") within 24 months from the closing date, as defined in the Fairwinds SA, as the second tranche of the investment. Reliance PE Scheme I did not exercise its right to subscribe to the Second Tranche Shares. 55% of the CCDs were converted into 856,559 Equity Shares on July 4, 2012, while the remaining 45% of the CCDs were converted into 700,821 Equity Shares on June 28, 2013. Currently, there are no outstanding CCDs. For details see, "*Capital Structure*" on page 59.

*Shareholders' agreement dated February 24, 2011 executed among our Promoter, our Company, certain other existing Shareholders and Reliance PE Scheme I through its trustee Fairwinds ("**Fairwinds SHA**")*

Our Company entered into the Fairwinds SHA, pursuant to which, Reliance PE Scheme I, *inter alia*, has the right to receive proceeds from any liquidation event involving the Company, in preference to the other shareholders of the Company, the right to be issued securities of the Company in case of any issue of securities by the Company, to maintain its shareholding in the Company, the right of first offer and tag along right in case of a sale of Equity Shares by the Promoter and the right to

appoint nominee directors on the Board. Pursuant to the Fairwinds SHA, In the event that an initial public offering of the Equity Shares of the Company was not completed by March 31, 2015 ("**Cut Off Date**"), Reliance PE Scheme I had the right to (i) require the Promoter to purchase, or to arrange for the Company to buy back all or a part of its Equity Shares, held in the Company; or (ii) implement a strategic sale of the Company by selling 100% of the shareholding of the Company (collectively, the "**Cut Off Date Rights**"), within 45 days from the Cut Off Date. The Fairwinds SHA may be terminated by a party with notice to the other parties, in case of any party ceasing to hold any Equity Shares, written consent of the other Parties, upon the successful listing of the Equity Shares on a recognised stock exchange and on Reliance PE Scheme I ceasing to hold 20% or more of Equity Shares, or 5% or more of the paid up capital of the Company.

*Addendum agreement dated March 31, 2015 executed among our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds ("**Addendum 1**")*

Our Company executed the Addendum 1, pursuant to which the period within which Reliance PE Scheme I could exercise the Cut Off Date Rights was extended to 15 months from the Cut Off Date.

*Second addendum agreement dated June 29, 2016 executed among our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds ("**Addendum 2**")*

Our Company executed the Addendum 2, pursuant to which the period within which Reliance PE Scheme I could exercise the Cut Off Date Rights was extended to 27 months from the Cut Off Date.

*Waiver and termination agreement dated September 22, 2016 executed among our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds ("**Termination Agreement**")*

Our Company executed the Termination Agreement to the Fairwinds SA and Fairwinds SHA as amended by Addendum 1 and Addendum 2, pursuant to which the parties have agreed to waive certain clauses which, *inter alia*, include the anti-dilution right and, transfer restrictions applicable to the Promoter, for the Offer, information and inspection rights of the Fairwinds and the suspension of the Cut Off Date Rights, till May 31, 2017. Pursuant to the Termination Agreement, the parties have also agreed that the Fairwinds SA, Fairwinds SHA, Addendum 1 and Addendum 2 will terminate upon the listing of the Equity Shares, on completion of the Offer. Further, Part B of the Articles of Association which contain special rights of Reliance PE Scheme I with respect to the Company and our Promoter will fall away and cease to have effect upon completion of the Offer.

Acquisition agreements

*Business transfer agreement dated June 17, 2013 executed among our Company and TVSPPL ("**BTA**")*

Our Company entered into the BTA, pursuant to which it transferred its manufacturing business as a going concern, on a slump sale basis to TVSPPL, for a total sale consideration of ₹1,250 million. Pursuant to the terms agreed under the BTA, the settlement of the consideration was effectuated in three parts viz.,(a) ₹600 million representing the value of current assets was set-off against all future purchases by TVSPPL from our Company within a period of six months from the execution date of the BTA, (b) ₹500 million was appropriated as an unsecured loan, carrying an interest at the rate of 12% per annum, repayable in three equal instalments commencing at the end of the fifth year from the date of execution of the BTA, and (c) ₹150 million being the balance consideration, was settled by allotment of equity shares at a premium to be determined and mutually agreed by the boards of our Company and TVSPPL.

*Amendment agreement dated August 30, 2013 executed among our Company and TVSPPL ("**BTA Amendment**")*

Our Company entered into the BTA Amendment, pursuant to which the terms of consideration set out under the BTA were amended to provide that ₹500 million value out of the balance consideration would be appropriated as an interest free unsecured loan repayable in three equal instalments commencing at the end of the fifth year from the date of execution of the BTA,

*Share purchase agreement dated November 28, 2013 executed among SNHL, Commercial Universe (Pte) Ltd, Mohamed Najmudeen, Mohamed Umayr and CRIPL ("**CRIPL SPA**")*

SNHL entered into the CRIPL SPA, pursuant to which SNHL agreed to purchase 100% of the issued and paid up share capital of CRIPL, through a transfer of 199,919 equity shares to SNHL and 1 equity share to our Promoter as a nominee of SNHL from Commercial Universe (Pte) Ltd and Mohamed Najmudeen for a consideration of ₹105 million at a price of ₹525.21 per equity share. Under the CRIPL SPA, Commercial Universe (Pte) Ltd, Mohamed Najmudeen and Mohamed Umayr and their respective affiliates cannot compete with the business of CRIPL within India for a period of five years from the date of execution of the CRIPL SPA. Our Company had obtained an independent valuation report dated October 25, 2013 from Chaitanya G Deshpande, Chartered Accountant, prior to the acquisition of CRIPL by SNHL. As per the said

valuation report, the fair value of the equity shares of CRIPL was ₹707 per equity share, based on the discounted cash flow method for valuation.

*Memorandum of understanding dated April 3, 2010 executed among our Company and the then existing shareholders of VPSPL ("**First MoU**"), memorandum of understanding dated August 21, 2010 executed between our Company and Vishal Mehra ("**Second MoU**") and share purchase cum shareholders agreement dated February 17, 2011 executed between our Company, Vishal Mehra, Rama Mehra and VPSPL ("**VPSPL SPA**")*

Our Company entered into the VPSPL SPA, pursuant to which parties agreed to restate their rights and obligations with respect to the acquisition of the shareholding of VPSPL by our Company, pursuant to the First MoU and the Second MoU, from the then existing shareholders of VPSPL, being, Rama Mehra and Vishal Mehra. Pursuant to the terms of the First MoU and the Second MoU, our Company had purchased 244,720 equity shares constituting 69.92% of the entire issued and paid up share capital of VPSPL from Vishal Mehra and Rama Mehra for a consideration of ₹80 million. Pursuant to the VPSPL SPA, the parties agreed to certain *inter-se* obligations with respect to the aforesaid share acquisition, including certain respresentations, warranties and indemnities of the parties with respect to the shares of VPSPL sold to our Company. The terms of the VPSPL SPA also set out the shareholder rights with respect to VPSPL, such as board nomination rights and transfer restrictions. Further, our Company agreed to purchase the balance shareholding of VPSPL from Vishal Mehra through exercise of call and put options, as provided under the VPSPL SPA. Pursuant to the exercise of the call and put options, our Company purchased, 104,880 equity shares of VPSPL on April 10, 2012. The initial acquisition of the equity shares under the First MoU and the Second MoU, together with the acquisition of equity shares of VPSPL pursuant to exercise of the said call and put options resulted in the acquisition of 99.89% of the share capital of VPSPL, with our Promoter holding 0.11% shareholding of VPSPL on behalf of the Company. The VPSPL SPA, terminated when Vishal Mehra ceased to hold any equity shares of VPSPL.

Trademark assignment agreement

*Trademark assignment agreement dated September 22, 2016 executed among the Company and our Promoter ("**Trademark Assignment Agreement**")*

Our Company entered into the Trademark Assignment Agreement, pursuant to which, our Promoter irrevocably assigned the entire and exclusive right in the trademark 'SHANKARA Buildpro', including the assignment of the trademark application in respect of the said trademark (for details see, *"Government and Other Approvals"* on page 177), to the Company, effective from the date of the said agreement, for a consideration of ₹100,000. The Trademark Assignment Agreement provided the Company the entire and exclusive rights, title, claim, benefit and interest in the said trademark, and also provided for the said trademark to be transferred in the name of the Company, upon registration.

Significant sale/ purchase between our Subsidiary and our Company

For the Financial Year 2016, sales made by TVSPPL and VPSPL to our Company worked out to 18.98% and 12.32%, respectively, when compared with the consolidated revenue from operations (net) (after elimination of intra-group sales on account of consolidation) of the group. For the nine months period ended December 31, 2016, the portion of the sales of TVSPPL and VPSPL made to our Company works out to 17.96% and 14.53% respectively, when compared with the consolidated revenue from operations (net) (after elimination of intra-group sales on account of consolidation) of the group. During Financial Year 2016, 78.01%, 70.69% and 53.46%, and of the total sales of VPSPL, TVSPPL and CRIPL, respectively, were made to our Company. For the nine months period ended December 31, 2016, 83.83%, 63.59% and 57.43% of the total sales of VPSPL, TVSPPL and CRIPL, respectively, were made to our Company.

Such sales by the Subsidiaries to the Company primarily include steel pipes, steel tubes, CR strips and roofing sheets. Other than as mentioned above, our Subsidiaries are not involved in any significant sale 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. See "*Risk Factors - Our Subsidiaries depend significantly on our Company for sale of their products. Any inability or restriction on our Company to purchase products from them may affect their results of operations and financial condition.*" on page 17.

Common pursuits

Our Subsidiaries are engaged in lines of business that are similar to our Company. In the event that our Company undertakes a divestment of its shareholding in any of the Subsidiaries, a conflict in operations of our Subsidiaries and our Company may arise to the extent of sales of building products, including, but not limited to, steel pipes, steel tubes, CR strips and roofing sheets to end customers. For details see, "*Risk Factors - Our Subsidiaries are engaged in lines of business that are similar to our Company. In the event the Company divests its shareholding in any of its Subsidiaries, a conflict of interest may arise in the operations of the Company and such Subsidiary.*" on page 20.

Business Interest between our Company and our Subsidiary

Except as disclosed in "*Our Business*" and "*Related Party Transactions*" on pages 90 and 140 respectively, our Subsidiary does not have any business interest in our Company.

Guarantees

Our Promoter has issued the following personal guarantees to guarantee the due repayment of secured credit facilities availed by our Company and our Subsidiaries. The said guarantees shall remain in force until our Company or our Subsidiaries, as the case maybe, are fully discharged by their respective lenders of all their liabilities outstanding under their respective credit facilities. For further details, including the principal terms of the credit facilities, see "*Financial Indebtedness*" on page 170. For implications in case of default, see "*Risk Factors - Our Promoter has provided personal guarantees for financing facilities availed by our Company and our Subsidiaries and our Company has provided corporate guarantees for facilities availed by our Subsidiaries, and may in the future provide additional guarantees. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees provided by our Promoter or corporate guarantees provided by our Company*" on page 26.

Sr. No.	Details of documentation	Amount secured by guarantee (in ₹ million)	Name of Bank	Borrower
1.	Personal guarantee dated April 18, 2016	674.60	Kotak Mahindra Bank Limited	Company
2.	Guarantee dated October 13, 2015	550.00	Citibank NA	Company
3.	Letter of personal guarantee dated July 18, 2012	400.00	Standard Chartered Bank	Company
4.	Supplemental guarantee agreement dated September 28, 2013 read with revival letter dated August 23, 2016	700.00	IDBI Bank Limited	Company
5.	Supplemental letter of guarantee dated September 22, 2015	200.00	IndusInd Bank Limited	Company
6.	Deed of guarantee dated May 16, 2016	630.00	Axis Bank Limited	TVSPPL
7.	Supplemental guarantee dated June 30, 2016 and principal guarantee dated March 9, 2015	400.00	Standard Chartered Bank Limited	TVSPPL
8.	Guarantee dated July 6, 2015	150.00	L&T Finance Limited	VPSPL
9.	Deed of personal guarantee dated August 25, 2014 and letter dated April 18, 2016 for continuation of the said deed of personal guarantee	200.00	Kotak Mahindra Bank Limited	CRIPL

OUR MANAGEMENT

Board of Directors

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Red Herring Prospectus, our Board comprises of seven Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
1.	**Sukumar Srinivas** ***Father's name***: S Srinivas ***Designation***: Managing Director ***Address***: 490, 14th Main 3rd Block, Koramangala Bengaluru 560 034 Karnataka ***Occupation***: Businessman ***Nationality***: Indian ***Term***: For a period of 5 years from April 1, 2016 ***DIN***: 01668064	56	***Other Directorships*** *Indian Companies* • Centurywells Roofing India Private Limited • Shankara Holdings Private Limited • Shankara Meta-Steels India Private Limited • Taurus Value Steel & Pipes Private Limited • Vishal Precision Steel Tubes and Strips Private Limited *Foreign Companies* • Steel Network Holdings Pte Ltd
2.	**V Ravichandar** ***Father's name***: Venkatraman Subbaraya ***Designation***: Chairman and Non-Executive, Independent Director ***Address***: 17, Moyenville Road Langford Town Bengaluru 560 025 Karnataka ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of 5 years from July 9, 2014 ***DIN***: 00634180	60	***Other Directorships*** *Indian Companies* • Chennai International Centre • Feedback Business Consulting Services Private Limited • iVista Digital Solutions Private Limited • Jurimatrix Services India Private Limited • Onze Technologies (India) Private Limited • Vidal Healthcare Services Private Limited *Foreign Companies* • Affinity Answers Corporation *Partnerships* • Victus Capital Services LLP *Trusts* • Bangalore International Centre
3.	**C Ravikumar** ***Father's name***: C Chowdappa ***Designation***: Executive Director ***Address***: No. 13, 3rd Main Road Maruthi Extension Bengaluru 560 021 Karnataka ***Occupation***: Service	50	***Other Directorships*** *Indian Companies* • Centurywells Roofing India Private Limited • Shankara Holdings Private Limited • Shankara Meta-Steels India Private Limited • Vishal Precision Steel Tubes and Strips Private Limited

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	***Nationality**:* Indian ***Term**:* For a period of 5 years from April 1, 2016 ***DIN**:* 01247347		
4.	**RSV Sivaprasad** ***Father's name**:* R Gopal Rao ***Designation***: Executive Director ***Address**:* Plot No. 163, Road No. 10 Venkat Rao Nagar, Kukatpally Hyderabad 500 762, Telangana ***Occupation**:* Service ***Nationality**:* Indian ***Term**:* For a period of 5 years from April 1, 2016 ***DIN**:* 01247339	59	***Other Directorships*** *Indian Companies* • Taurus Value Steel & Pipes Private Limited
5.	**Siddhartha Mundra** ***Father's name***: Vijay Swaroop Mundra ***Designation**:* Non-Executive, Nominee Director ***Address**:* B/403, Building No. B Raheja Heights, 239 Film City Road Dindoshi, Malad (East) Next to Wagheshwari Mandir Mumbai 400 097 Maharashtra ***Occupation**:* Professional ***Nationality**:* Indian ***Term**:* Not liable to retire by rotation ***DIN**:* 01173240	38	***Other Directorships*** *Indian Companies* • Dembla Valves Limited
6.	**Jayashri Murali** ***Father's name**:* Ragavendra Rao ***Designation**:* Non-Executive, Independent Director ***Address**:* 77 and 78, 6th Cross Bhuvaneshwari Nagar Hebbal, Dasarahalli Bengaluru 560 024 Karnataka ***Occupation**:* Professional ***Nationality**:* Indian	57	***Other Directorships*** *Indian Companies* • B&G Aviation (India) Advisors Private Limited • Centurywells Roofing India Private Limited • Lex Valorem India Private Limited • Taurus Value Steel & Pipes Private Limited • Vishal Precision Steel Tubes and Strips Private Limited

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	***Term**:* For a period of 5 years from March 19, 2015 ***DIN**:* 01284437		
7.	**Chandu Nair** ***Father's name**:* Ramachandran Nair ***Designation**:* Non-Executive, Independent Director ***Address**:* 4, 4th Cross, Sterling Road Nungambakkam Chennai 600 034 Tamil Nadu ***Occupation:*** Professional ***Nationality**:* Indian ***Term**:* For a period of 5 years from July 29, 2015 ***DIN**:* 00259276	55	***Other Directorships*** *Indian Companies* • CG Financial Consultancy Private Limited • Khemeia Technologies Private Limited • Menterra Venture Advisors Private Limited • Wealth Advisors (India) Private Limited

Relationship between our Directors

None of our Directors are related to each other.

Brief biographies of Directors

Sukumar Srinivas is the Managing Director of our Company. He holds a bachelors degree in commerce from Loyola College, Chennai, University of Madras, and a post graduate diploma in business management from the Indian Institute of Management, Ahmedabad. He has been associated with our Company since its incorporation and has 33 years of experience in the building products industry. Prior to joining the Company, he was associated with Gemini Steel Tubes Limited in various capacities and as a partner of Shankara Agencies and Shankara Steel and Tubes. He currently holds the position of the President of The Karnataka Pipe Dealer's Association.

V Ravichandar is the Chairman and a Non-Executive, Independent Director of our Company. He holds a bachelors degree in mechanical engineering from Birla Institute of Technology and Science, Pilani and a post graduate diploma in business management from the Indian Institute of Management, Ahmedabad. He has been associated with the Company since 2007 and has 36 years of experience in the consulting industry. He is currently the chairman and managing director of Feedback Business Consulting Services Private Limited which he joined in 1988. Prior to joining our Company, he was associated with Robert Bosch (India) Limited, Bengaluru as head, market research and pricing from 1981 - 1988 and with Shriram Refrigeration Industries, Hyderabad, as a R&D engineer from 1978-1979. He holds the position of Honorary Consul, Republic of Slovenia for Karnataka, and is associated with the Bengaluru City Corporation Restructuring Committee and the Bengaluru Vision Group set up by Government of Karnataka.

C Ravikumar is an Executive Director of our Company. He holds a bachelor degree in science from Bangalore University. He has been associated with our Company since 1995, having joined as a senior manager. He was appointed as a director of the Company in 2001. He has 29 years of experience in the steel pipes and building products industry. Prior to joining our Company, he was associated with Shankara Steel and Tubes, and Gemini Steel Tubes Limited. He is currently a member of the Karnataka Pipe Dealers Association.

RSV Sivaprasad is an Executive Director of our Company. He holds a bachelor's degree in science from Andhra University and a master's degree in science in zoology from Bhopal University. He also holds a diploma in business management from Rajendra Prasad Institute of Communication Studies, Bombay. He has been associated with our Company since 1995, having joined as a senior manager, and has 34 years in the field of sales. He was appointed as a director of the Company in 2001. Prior to joining our Company, he was associated with Shivmoni Steel Tubes Ltd in 1982. He is currently a member of the Hyderabad Tube Association and has held positions in various capacities in the association.

Siddhartha Mundra is a Non-Executive, Nominee Director of our Company. He holds a bachelor's degree in engineering

(gold medalist) with a specialisation in computer science from the National Institute of Technology, Warangal (formerly known as Regional Engineering College, Warangal) and a post graduate diploma in business management from the Indian Institute of Management, Ahmedabad. He is a nominee director of Fairwinds and was appointed to the Board of our Company in 2011. He has been associated with Fairwinds since 2008 and has a total experience of over 13 years. Prior to joining Fairwinds, he worked with ICICI Venture in the investment team and with Cisco Systems (India) Private Limited as a software engineer. He is currently also a nominee director on the board of Dembla Valves Limited.

Jayashri Murali is a Non-Executive, Independent Director of our Company. She holds a bachelor degree in arts in English literature and a bachelor's degree in law, from Madras University. She is currently enrolled with the Karnataka State Bar Council as an advocate. She has been associated with our company since 2015 and has over 30 years of experience. She was associated with N Jayaraman, advocate for more than 15 years and held the post of a partner of M/s. N Jayaraman advocates from 1995 till 2003. Thereafter, she was associated with AZB and Partners, Bengaluru for two years. She is currently undertaking independent practice under the name and style of 'Chambers of Jayashri Murali'.

Chandu Nair is a Non-Executive, Independent Director of our Company. He holds a bachelor's degree in commerce from Madras University and a post graduate diploma in business management from the Indian Institute of Management, Ahmedabad. He has been associated with our Company since 2015 and has over 33 years of experience in business consultancy, information and media. He was the co-founder and director of Scope e-Knowledge Center between 1989 – 2011 and the co-founder and director of e-Chem.com Limited between 1999 – 2002. Previously, he was associated with Business World magazine between 1987-1989 and with Asian Paints between 1983-1987. He is currently a committee member of and an advisor to Fulcrum Venture Fund, a principal at Chesapeake, an independent financial advisory company, with offices in New York and Bengaluru, and is on the board of directors of Menterra Venture Advisors Private Limited. He is also a member of TiE, Chennai and the Chennai Angels.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Red Herring Prospectus, whose shares have been, or were suspended, from being traded on the BSE or the NSE.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him/ her or by the firm or company in which he/ she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Sukumar Srinivas

Sukumar Srinivas was re-appointed as our Managing Director, pursuant to the Board resolution dated June 29, 2016 and the shareholders resolution dated July 20, 2016, with effect from April 1, 2016 for a period of five years. The details of remuneration governing his appointment as set out in the Board resolution dated June 29, 2016 are stated below:

Particulars	Remuneration (in ₹)
Gross Salary	835,000 per month
Other Allowance and Benefits	Sukumar Srinivas is entitled to provident fund contribution at the rate of 12% of his basic salary, and gratuity payments in accordance with applicable law and as per our Company's policies

C Ravikumar

C Ravikumar was re-appointed as our Executive Director, pursuant to the Board resolution dated June 29, 2016 and the shareholders resolution dated July 20, 2016 with effect from April 1, 2016 for a period of five years. The details of remuneration governing his appointment as set out in the Board resolution dated June 29, 2016 are stated below:

Particulars	Remuneration (in ₹)
Gross Salary	348,000 per month

Particulars	Remuneration (in ₹)
Other Allowance and Benefits	C Ravikumar is entitled to provident fund contribution at the rate of 12% of his basic salary, gratuity payments in accordance with applicable law and as per our Company's policies, bonus of 20% on the basic salary and leave salary of 20 days earned leave on the basic salary

RSV Sivaprasad

RSV Sivaprasad was appointed as our Executive Director, pursuant to the Board resolution dated June 29, 2016 and the shareholders resolution dated July 20, 2016 with effect from April 1, 2016 for a period of five years. The details of remuneration governing his appointment as set out in the Board resolution dated June 29, 2016 are stated below:

Particulars	Remuneration (in ₹)
Gross Salary	278,500 per month
Other Allowance and Benefits	RSV Sivaprasad is entitled to provident fund contribution at the rate of 12% of his basic salary, gratuity payments in accordance with applicable law and as per our Company's policies, bonus of 20% on the basic salary and leave salary of 20 days earned leave on the basic salary

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2016 are as follows:

1. Remuneration to Executive Directors:

Our Company has paid the following remuneration to our Executive Directors in Financial Year 2016:

Sl. No.	Name of Director	Total remuneration* (in ₹)
1.	Sukumar Srinivas	9,757,440
2.	C Ravikumar	4,373,600[#]
3.	RSV Sivaprasad	3,437,280[##]
	Total	**17,568,320**

**Includes salary, bonus, leave encashment and contribution to provident fund*
[#] Includes bonus paid to C Ravikumar of ₹396,000 for Financial Year 2016
[##] Includes bonus paid to RSV Sivaprasad of ₹316,800 for the Financial Year 2016

2. Remuneration to Independent Directors:

Each Director is entitled to receive sitting fees of ₹25,000 per sitting pursuant to a resolution of the Board dated June 13, 2014 for attending meetings of the Board, or any of its committees within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time. The details of the sitting fees paid to the Independent Directors during Financial Year 2016 is as follows:

Sl. No.	Name of Director	Sitting fees paid (₹)
1.	V. Ravichandar	100,000
2.	Jayashri Murali	100,000
3.	Chandu Nair	50,000
	Total	**250,000**

3. Our Non-executive Director Siddhartha Mundra is not entitled to any remuneration, sitting fee or annual commission on the profits of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Siddhartha Mundra was first nominated to our Board by our Shareholder, Fairwinds, pursuant to the Fairwinds SHA, and has since been re-appointed as a Non-Executive Director. For further details, see "*History and Certain Corporate Matters*" on page 116.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage shareholding (%)
Sukumar Srinivas	13,336,250	60.98
C Ravikumar	72,400	0.33
RSV Sivaprasad	61,550	0.28

Shareholding of Directors in our Subsidiaries and Group Entities

The shareholding of our Directors in our Subsidiaries as of the date of filing this Red Herring Prospectus is set forth below:

Name of Subsidiary	Number of Equity Shares	Percentage shareholding (%)
Sukumar Srinivas		
TVSPPL	100	0.00*
VPSPL	400	0.11

**Negligible*

Appointment of relatives of our Directors to any office or place of profit

None of the relatives of our Directors currently hold any office, or place of profit in our Company.

Interest of Directors

All 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, 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 for services rendered as an officer or employee of our Company. Sukumar Srinivas has executed a lease agreement with the Company for leasing certain premises to the Company. For details see, "*Our Promoter and Promoter Group*" on page 135.

Interest in property

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Red Herring Prospectus, or proposed to be acquired by our Company.

Business interest

Except as stated in "*Related Party Transactions*" on page 140, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Payment of benefits (non salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Loans to Directors

No loans have been availed by the Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Bonus or profit sharing plan for the Directors

C Ravikumar and RSV Sivaprasad are entitled to a bonus of 20% of their respective basic salaries. Details of bonus paid to C Ravikumar and RSV Sivaprasad for Financial Year 2016 and 2015 are as follows:

Sl. No.	Name of Director	Bonus paid for Financial Year 2015 (in ₹)	Bonus paid for Financial Year 2016 (in ₹)
1.	C Ravikumar	360,000	396,000
2.	RSV Sivaprasad	288,000	316,800

Except as mentioned above, none of our Directors are party to any bonus or profit sharing plan of our Company.

Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Executive Directors and the Key Management Personnel have entered into a service

contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of appointment/ change/cessation	Reason
Snehal Shah	March 31, 2016	Cessation due to resignation by director
Chandu Nair	July 29, 2015	Appointment of director
Jayashri Murali	March 19, 2015	Appointment of director
Zafar Saifullah	August 28, 2014	Cessation due to death of director
Zafar Saifullah	July 9, 2014	Change in designation to independent director
V Ravichandar	July 9, 2014	Change in designation to independent director
Snehal Shah	July 9, 2014	Change in designation to nominee director
Siddhartha Mundra	July 9, 2014	Change in designation to nominee director

Borrowing Powers of Board

Pursuant to our Articles of Association, subject to applicable laws and pursuant to the resolution of the shareholders of our Company passed at the EGM held on March 21, 2013, our Board has been authorised to borrow sums of money with or without security, which together with the monies borrowed by our Company (apart from the temporary loans obtained, or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of 3,500 million, at any point of time.

Corporate Governance

The Corporate Governance provisions of the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, and formulation and adoption of policies. 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.

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has seven Directors comprising of three Executive Directors, one Non-Executive Director and three Non-Executive, Independent Directors (of whom one is a woman Director). Further, of the four non-Independent Directors, three are liable to retire by rotation and one is not liable to retire by rotation.

Committees of the Board

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are:

1. Chandu Nair, *Chairman*;

2. V Ravichandar; and

3. Siddhartha Mundra.

The Audit and Risk Management Committee was constituted by a meeting of the Board of Directors held on October 31, 2007 and re-constitued by a meeting of the Board of Directors held on September 28, 2015. The terms of reference of the Audit and Risk Management Committee were revised pursuant to Board resolution dated September 19, 2016. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations, and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgment by management;

(iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications and modified opinions in the draft audit report.

f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

g) Scrutiny of inter-corporate loans and investments;

h) Valuation of undertakings or assets of our Company, wherever it is necessary;

i) Evaluation of internal financial controls and risk management systems;

j) Approval or any subsequent modification of transactions of our Company with related parties;

k) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

l) Approving or subsequently modifying transactions of our Company with related parties;

m) Evaluating undertakings or assets of our Company, wherever necessary;

n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

p) 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;

q) Discussion with internal auditors on any significant findings and follow up thereon;

r) 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;

s) 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;

t) 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;

u) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

w) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

x) To formulate, review and make recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time.

The powers of the Audit and Risk Management Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Risk Management Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor; and

f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations

The Audit and Risk Management Committee is required to meet at least four times in a year, and not more than 120 days are permitted to elapse between two meetings in accordance with the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. V Ravichandar, *Chairman*;

2. Jayashri Murali; and

3. Siddhartha Mundra.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on October 31, 2007 and reconstituted by our Board of Directors at their meeting held on July 29, 2015. The terms of reference of the Nomination and Remuneration Committee were revised pursuant to Board resolution dated September 19, 2016. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identify persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation

criteria in its annual report;

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) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

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) Perform 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; or

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

l) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Jayashri Murali, *Chairman;*

2. Chandu Nair; and

3. V Ravichandar .

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on September 19, 2016. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are as follows:

a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

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 our Company, annual report 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 Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Jayashri Murali, *Chairman;*

2. Chandu Nair; and

3. Siddhartha Mundra.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on June 13, 2014and reconstituted by the Board of Directors at their meeting held on July 29, 2015. The terms of reference of the Corporate Social Responsibility Committee were revised pursuant to Board resolution dated September 19, 2016. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

IPO Committee

The members of the IPO Committee are:

1. Jayashri Murali, *Chairman;*

2. Siddhartha Mundra; and

3. Sukumar Srinivas.

The IPO Committee was constituted by our Board of Directors on September 19, 2016. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, approve the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

a) To make applications where necessary, to the RBI and any other governmental or statutory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

b) To finalize, settle, approve, adopt and file in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

c) To decide in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;

d) To appoint and enter into and terminate arrangements with the BRLMs, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

e) To negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Offer;

f) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the Listing Regulations or any other Applicable Laws;

g) To approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the Listing Regulations or any other Applicable Laws;

h) To seek, if required, the consent of the lenders of the Company and its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

i) To open and operate bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

j) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

k) To authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

l) To issue receipts/allotment letters/confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the afore-stated documents;

m) To authorize and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

n) To do all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters/confirmation of allotment notes, share certificates in accordance with the relevant rules;

o) To take all actions as may be necessary and authorized in connection with the Offer for Sale and to approve and take on record the transfer of Equity Shares in the Offer for Sale;

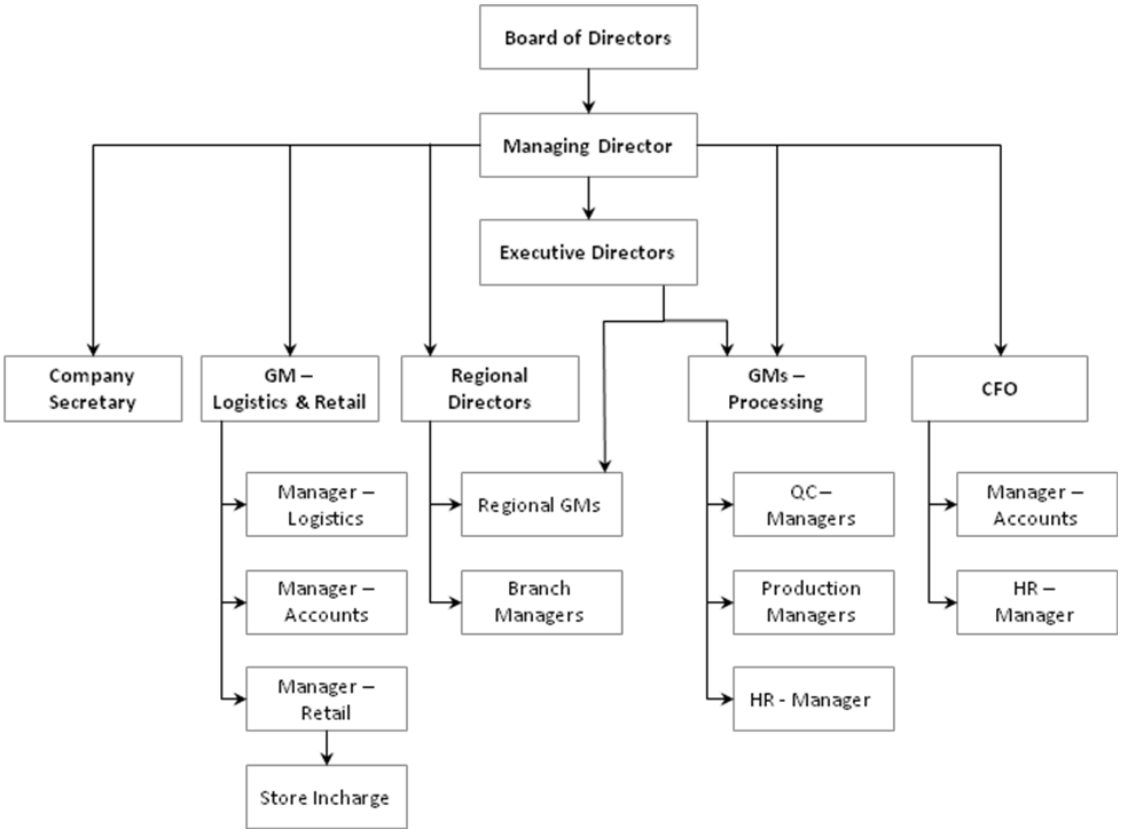
p) To do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

q) To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

r) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company; and

s) To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company and our Subsidiaries are as follows:

Sukumar Srinivas is the Managing Director of our Company. For details see, "*Brief Biographies of Directors – Our Management*" on page 122.

C Ravikumar is an Executive Director of our Company. For details see, "*Brief Biographies of Directors – Our Management*" on page 122.

RSV Sivaprasad is an Executive Director of our Company. For details see, "*Brief Biographies of Directors – Our Management*" on page 122.

Alex Varghese is the Chief Financial Officer of our Company. He joined the Company on October 13, 1995. He holds a bachelor's degree in commerce from MG University. He has been associated with the Company for over 20 years. He is involved in handling the day to day financial activities of the Company. Prior to joining our Company, he worked with Shankara Steels and Tubes. During the Financial Year 2015-2016, he was paid gross compensation of ₹1.54 million.

Ereena Vikram is the Company Secretary and Compliance Officer of our Company. She joined the Company on September 8, 2016. She holds a bachelor's degree in commerce and a masters degree in arts (in personnel management and industrial relations) from Patna University. She also holds a bachelor's degree in law (gold medalist) from Patna University and is a member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Corpus Software Private Limited, Sonali Autos Private Limited, and S Kumar and Associates, Company Secretaries. Since she has been appointed as the Company Secretary and Compliance Officer of our Company from the current financial year, she was not paid any remuneration in Financial Year 2015-2016.

V Devanathan is the Regional Director (Tamil Nadu) of our Company. He has been associated with the Company since October 13, 1995. He completed his Pre-University from Vivekananda College, University of Madras. He has been associated with the Company for over 20 years. He is involved in the marketing and administration of the Company's operations in Tamil Nadu. Prior to joining our Company he worked as a regional manager in Shankara Steels and Tubes. During the Financial Year 2015 - 2016, he was paid gross compensation of ₹2.03 million.

C. Jaiaprakash is a General Manager of our Company. He joined the Company on October 13, 1995. He holds a bachelor's degree in arts from Bangalore University. He has been associated with the Company for over 20 years. He is involved in logistics and inventory control in the Company's operations in Bengaluru. Prior to joining our Company he worked as an assistant manager, logistics in Shankara Steels and Tubes, as a factory supervisor with Dimensions Technology Furniture and as an assistant (quality control department) with Gemini Steel Tubes Limited. During the Financial Year 2015 - 2016, he was paid gross compensation of ₹1.55 million.

N Tamilalagan is a Deputy General Manager of our Company. He joined the Company on October 13, 1995. He holds a bachelor's degree in commerce from Madurai Kamaraj University and a diploma in co-operation from the Tamil Nadu Co-operative Union. He has been associated with the Company for over 20 years. He is involved in marketing and administration of the Company's operations in the Coimbatore region. Prior to joining our Company he worked as a branch manager in Shankara Steels and Tubes and as an apprentice in the Subramanianagar Co-operative Urban Bank Limited. During the Financial Year 2015-2016, he was paid gross compensation of ₹1.46 million.

S Sreedhar is a General Manager of our Company. He joined the Company on April 14, 2000. He holds a bachelor's degree in science from Bangalore University. He has been associated with the Company for over 16 years. He is involved in handling administration of the Company in western India. Prior to joining our Company he worked as a marketing officer in Gemini Steel Tubes Limited. During the Financial Year 2015-2016, he was paid gross compensation of ₹1.71 million.

MP Jayagopal is a Deputy General Manager of our Company. He joined the Company on April 1, 2001. He holds a bachelor's degree in commerce from Gulbarga University. He has been associated with the Company for over 15 years. He is involved in marketing and administration of the Company's operations in the Calicut region. Prior to joining our Company he worked as a marketing officer in Gemini Steel Tubes Limited and as an accounts assistant with Malligi Foods and Chemicals. During the Financial Year 2015 - 2016, he was paid gross compensation of ₹1.49 million.

Muralidhar B Raichur is a General Manager of our Company. He joined the Company on March 1, 2006. He holds a bachelor's degree in commerce from Karnatak University. He has been associated with the Company for over 10 years. He is involved in marketing and administration of the Company's operations in the Hubli region. Prior to joining our Company he worked with the Gramophone Company of India Limited. During the Financial Year 2015-2016, he was paid gross compensation of ₹1.48 million.

M Eswara Rao is a General Manager - Operations of our Subsidiary, TVSPPL. He joined TVSPPL on July 1, 2013. He holds a bachelor's degree (mechanical) in technology from Mahatma Gandhi Kashi Vidyapeeth and a diploma in mechanical engineering from the State Board of Technical Education and Training, Hyderabad, Andhra Pradesh. He has been associated with the Company for over five years. He is involved in manufacturing operations and administration the Company's factory located in Chegunta. Prior to joining our Company he worked as works manager – pipe manufacturing plant in Doshi Enterprises Limited, as an assistant general manager operations in VPSPL, as an assistant manager - maintenance department in Surana Strips Limited, and as a management trainee in Indo National Limited. He was also elected to the Institution of Engineers (India) as a senior technician in 1988. During the Financial Year 2015-2016, he was paid gross compensation of ₹1.64 million.

None of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

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

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Sukumar Srinivas	13,336,250	60.98	[●]
2.	C Ravikumar	72,400	0.33	[●]
3.	RSV Sivaprasad	61,550	0.28	[●]
4.	V Devanathan	41,550	0.19	[●]
5.	Alex Varghese	20,620	0.09	[●]
6.	C Jaiprakash	20,000	0.09	[●]
7.	MP Jayagopal	20,000	0.09	[●]
8.	N Tamilalagan	20,000	0.09	[●]
9.	Muralidhar B Raichur	12,500	0.06	[●]
10.	S Sreedhar	12,500	0.06	[●]

Bonus or profit sharing plans

The Key Management Personnel are entitled for a bonus of 20% on the basic salary per annum. Except the fixed proportion of bonus, none of the Key Management Personnel are party to any bonus or profit sharing plan of our Company nor are any performance linked incentives given to Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in the Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Murali Srinivasan	Company Secretary	September 13, 2016	Cessation due to resignation
Ereena Vikram	Company Secretary	September 8, 2016	Appointment
Alex Varghese	Chief Financial Officer	March 19, 2015	Appointment

Payment or Benefit to officers of our Company

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, other than to our Promoter, Sukumar Srinivas who has been paid lease rentals for leasing certain premises to the Company. For details see, "*Our Promoter and Promoter Group*" on page 135.

Employees Stock Options

The Company does not have any employee stock option plan in existence as on the date of this Red Herring Prospectus.

OUR PROMOTER AND PROMOTER GROUP

Sukumar Srinivas is the Promoter of our Company. The details in relation to our Promoter are as follows:

Sukumar Srinivas

Sukumar Srinivas, aged 56 years, is the Managing Director of our Company. He is a resident Indian national. For further details, see "*Our Management*" on page 120.

The voter identification number of Sukumar Srinivas is MCL5074174 and his driving license number is TN0719800003072.

Our Company confirms that the permanent account number, bank account numbers and passport number of Sukumar Srinivas were submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interests of Promoter

Except as stated below, our Promoter is interested in our Company to the extent that he has promoted our Company, to the extent of his shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by him, and the remuneration paid to him by the Company, in his capacity as a Director. For details on the shareholding of our Promoter in our Company, see "*Capital Structure*" on page 62 and for details of remuneration paid to our Promoter, see "*Our Management*" on page 123.

Pursuant to a lease agreement dated August 1, 2016, our Promoter, Sukumar Srinivas has leased a portion of the premises measuring 1,314 square feet at No. A-21(B), Brigade MM Industrial Estate, MM Industrial Road, Kanakapura Road, Bengaluru to the Company for the period between August 1, 2016 to July 31, 2021, at a lease rental of ₹50,000 per month, for record keeping purposes. For details see, "*Related Party Transactions*" on page 140.

Our Promoter is also a director on the board of our Subsidiaries, and may be deemed to be interested to the extent of the payments made by our Company, if any, to such of our Subsidiaries. For details regarding payments made by our Company to our Subsidiaries, see "*Related Party Transactions*" on page 140.

Our Promoter is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus with SEBI.

Except as disclosed under "*Related Party Transactions*" on page 140, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Accounting Standard 18, see "*Related Party Transactions*" on page 140.

Other than our Subsidiaries and Group Entities, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Promoter is not related to any sundry debtors of our Company.

Our Promoter is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Payment or Benefits to Promoter or Promoter Group

Except as stated above and otherwise in the sections "*Related Party Transactions*" on page 140 about the related party transactions entered into during the last five Financial Years as per Accounting Standard 18, "*Our Promoter and Promoter Group - Interests of Promoter*" above and "*Our Management*" on page 125, respectively, there has been no payment or benefit to our Promoter or Promoter Group during the two years prior to the filing of the Draft Red Herring Prospectus nor

is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of the Draft Red Herring Prospectus.

Companies with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated himself from any other companies during the last three years preceding the date of the Draft Red Herring Prospectus.

Change in the management and control of our Company

Our Promoter is the original promoter of our Company and there has been no change in the management or control of our Company.

Guarantees

Except as stated in the section "*History and Certain Corporate Matters*" on page 119, our Promoter has not given any guarantee to a third party as of the date of this Red Herring Prospectus.

Confirmations

Our Promoter and his relatives have not been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoter and members of the Promoter Group in the past and no proceedings for violation of securities laws are pending against them.

Our Promoter and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI, or any other regulatory or governmental authority.

Our Promoter and members of the Promoter Group are not and have never been promoter, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 174, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Red Herring Prospectus against our Promoter.

Except as disclosed in this Red Herring Prospectus, our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoter has not taken any unsecured loans which may be recalled by the lenders at any time.

Promoter Group of our Company

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:

Name of Promoter	Name of relative	Relationship
Sukumar Srinivas	Parwathi S Mirlay	Wife
	Dhananjay Mirlay Srinivas	Son
	Lalitha Neelakantan	Sister
	Leela S Mirlay	Wife's mother
	Dr. Ram Mirlay	Wife's brother
	Gowri Mirlay	Wife's sister

Entities forming part of the Promoter Group:

1. Shankara Holdings;
2. Shankara Meta-Steels; and
3. Xpressions Inc.

OUR GROUP ENTITIES

The definition of 'group companies' was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated February 7, 2017 our Board formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which the entities listed in this section have been identified as Group Companies of our Company. Our Board has approved that a company shall be considered as a 'group entity' if (i) our Company or our Promoter holds 10% or more of the equity share capital of such company; and (ii) our Company has entered into one or more transactions with such company during the last completed financial year, which in value exceeds 5% of the total consolidated revenue of the Company for that financial year as per the restated audited consolidated financial statements of the Company.

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus.

The details of our Group Entities are provided below:

A. Details of our Group Entities

1. ***Shankara Holdings Private Limited ("Shankara Holdings")***

Corporate Information

Shankara Holdings was incorporated on June 2, 2000 under the Companies Act, 1956 as a private limited company. It has its registered office at G2 Farah Winsford, No. 133 Infantry Road, Bengaluru 560 001, Karnataka. Shankara Holdings is engaged in the business of investing in various partnership firms and companies carrying on the business of, *inter alia*, manufacture, purchase, sale and otherwise to deal with pipes and pipe products, residential houses, residential apartments and commercial complexes and computer software and hardware products and to purchase, sell or otherwise to deal in debentures of companies, government securities and other securities which are normally traded in the capital market and to carry on the business of an investment company.

Interest of our Promoter

Sukumar Srinivas holds 30,300 equity shares constituting 99.67% of the issued and paid up equity share capital of Shankara Holdings. Sukumar Srinivas is also a director on the board of directors of Shankara Holdings.

Financial Information

The following information has been derived from the audited financial statements of Shankara Holdings for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2016	2015	2014
Equity capital	0.30	0.30	0.30
Revenue from operations and other income	0.35	0.26	0.29
Profit/Loss after tax	0.31	0.21	0.28
Reserves (excluding revaluation reserves) and Surplus	7.89	7.58	7.37
Earnings per share (1)	10.14	6.97	9.17
Diluted earning per share (1)	10.14	6.97	9.17
Net Asset Value per share (2)	269.64	259.50	252.53

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital)/(number of shares outstanding at the end of the period)

2. ***Shankara Meta-Steels India Private Limited ("Shankara Meta-Steels")***

Information

Shankara Meta-Steels was incorporated on December 13, 2004 under the Companies Act, 1956 as a private limited company. It has its registered office at G2 Farah Winsford, No. 133 Infantry Road, Bengaluru 560 001, Karnataka. Shankara Meta-Steels is engaged in the business of, *inter alia*, manufacture, process, development and sale of structural steel products including mild steel flats, angles and rounds, pipes, tubes and pipe fitting made of steel and hardware materials, security locks and water and sanitary fittings.

Interest of our Promoter

Sukumar Srinivas holds 9,800 equity shares constituting 98% of the issued and paid up equity share capital of Shankara Meta-Steels. Sukumar Srinivas is also a director on the board of directors of Shankara Meta-Steels.

Financial Information

The following information has been derived from the audited financial statements of Shankara Meta-Steels for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2016	2015	2014
Equity capital	0.10	0.10	0.10
Revenue from operations and other income	0.09	0.06	0.05
Profit/Loss after tax	0.03	0.05	(1.05)
Reserves (excluding revaluation reserves) and Surplus	0.58	0.55	0.50
Earnings per share (1)	2.83	4.73	(105.32)
Diluted earning per share (1)	2.83	4.73	(105.32)
Net Asset Value per share (2)	67.60	64.77	60.04

(1) Calculated as (profit /loss after tax) / (weighted average number of equity shares for the period)
(2) Calculated as (reserves (excluding revaluation reserves) and surplus + equity capital)/(number of shares outstanding at the end of the period)

B. Nature and Extent of Interest of Group Entities

1. ***In the promotion of our Company***

None of our Group Entities have any interest in the promotion or other interests in our Company, except to the extent of the shareholding of Shankara Holdings in our Company.

2. ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

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 the Draft Red Herring Prospectus.

3. ***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.

C. Common Pursuits among the Group Entities with our Company

There are no common pursuits between any of our Group Entities and our Company.

D. Business Transactions within the Group Entities and significance on the financial performance of our Company

For more information, see "*Related Party Transactions*" on page 140.

E. Significant Sale/Purchase between Group Entities and our Company

None of our Group Entities is 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.

F. Business Interest of Group Entities

None of our Group Entities have any business interest in our Company.

G. Defunct Group Entities

None of our Group Entities remain defunct and no application has been made to the RoC for striking off the name of any of our Group Entities during the five years preceding the date of filing of the Draft Red Herring Prospectus with SEBI. None of our Group Entities fall under the definition of sick companies under SICA and none of them are under winding up. Further none of our Group Entities have a negative networth.

H. Loss making Group Entities

Shankara Meta-Steels made a loss in Financial Year 2014.

I. Litigation

As of the date of this Red Herring Prospectus, there are no legal proceedings involving the Group Entities.

J. Confirmations

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 any bank or financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

None of the Group Entities has availed of unsecured loans which may be recalled by the lenders at any time.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures'* issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Financial Statements*" on pages F-34 (consolidated) and F-69 (standalone).

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, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 170. Our Company may also pay interim dividends from time to time. Our Company does not have a formal dividend policy as on the date of this Red Herring Prospectus.

The dividends declared by our Company on the Equity Shares in each of the Financial Years 2012, 2013, 2014, 2015 and 2016 as per our Restated Financial Statements are given below:

	Interim dividend					**Final dividend**				
Year ended March 31	**2012**	**2013**	**2014**	**2015**	**2016**	**2012**	**2013**	**2014**	**2015**	**2016**
Face Value of Equity Share (per share in ₹)	-	10	-	-	10	10	-	10	10	-
Dividend on Equity Shares (₹ million)	-	20.95	-	-	32.81	20.31	-	21.70	21.87	-
Dividend on each Equity Share (in ₹)	-	1	-	-	1.5	1	-	1	1	-
Dividend Distribution Tax (%)	-	16.22	-	-	20.47	16.22	-	16.22	20.47	-
Dividend Distribution Tax (₹ million)	-	3.40	-	-	6.72	3.30	-	3.52	4.48	-
Dividend Rate for Equity Shares (%)	-	10	-	-	15	10	-	10	10	-

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factors*" on page 28.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No.
1.	Report of the independent auditor on the summary of Restated Consolidated Financial Statements	F-1
2.	Restated Consolidated Financial Statements	F-5
3.	Report of the independent auditor on the summary of Restated Standalone Financial Statements	F-41
4.	Restated Standalone Financial Statements	F-44

Report of the Independent Auditor on the
Summary of Restated Consolidated Financial Statements

To,
The Board of Directors,
Shankara Building Products Limited
G-2, "Farah Winsford", No.133, infantry Road,
Bangalore, Karnataka – 560 001,
India

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Shankara Building Products Limited ("the Company") ("formerly Shankara Infrastructure Materials Limited") and its subsidiaries (the Company and its subsidiary together referred to as "the Group") for the purpose of its inclusion in the Red Herring Prospectus ("RHP") prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of:

   (A) Financial Information as per Summary of Restated Consolidated Financial Statements; and

   (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

   a) Section 26(1)(b) of the Companies Act, 2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ; and

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

   a) the terms of reference agreed with the Company vide engagement letter dated July 21, 2016 relating to the work to be performed on such financial information, proposed to be included in the RHP of the Company in connection with its proposed IPO; and

   b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

3. **Financial Information**

   The financial information referred to above, relating to profits, assets and liabilities and cash flows of the Group are contained in the following annexures to this report (collectively referred to as the "Summary of Restated Consolidated Financial Statements"):

   a) **Annexure I** containing the Restated Consolidated Summary Statement of Assets and Liabilities, as at December 31, 2016, March 31, 2016, 2015, 2014, 2013 and 2012.
   b) **Annexure II** containing the Restated Consolidated Summary Statement of Profit and Loss, for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.
   c) **Annexure III** containing the Restated Consolidated Summary Statement of Cash Flows, for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.
   d) **Annexure IV** containing the Restated consolidated Statement of Significant Accounting Policies.
   e) **Annexure V** containing the Consolidated Statement of Notes to Summary Financial Statements.

   The aforesaid Summary of Restated Consolidated Financial Statements has been extracted by the Management from the audited consolidated financial statements of the Group for those period/years.

   The consolidated financial statements of the Group for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 were audited by us and we had issued

unqualified opinion vide our reports dated February 07, 2017, June 29, 2016, July 2, 2015, June 13, 2014, June 11, 2013 and June 05, 2012 respectively.

We did not audit the financial statements of three subsidiaries for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015 and 2014 whose financial statements reflect net assets of ₹617.21 Million, ₹485.05 Million, ₹369.77 Million and ₹287.79 Million as at December 31, 2016, March 31, 2016, 2015 and 2014 respectively and total revenue of ₹4,273.84 Million, ₹ 4,580.06 Million, ₹3,793.12 Million and ₹2,265.79 Million for the nine month period ended December 31, 2016 and for the years ended March 31, 2016, 2015 and 2014 respectively as considered in the audited consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in these Restated Consolidated Financial Information are solely based on the reports of other auditors.

We did not audit the financial statements of one subsidiary for the financial years ended March 31, 2013 and 2012 whose financial statements reflect total assets of ₹159.73 Million and ₹111.41 Million as at March 31, 2013 and 2012 respectively and total revenue of ₹1,990.11 Million and ₹1,614.26 Million for the years ended March 31, 2013 and 2012 respectively as considered in the consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts and disclosures included in these Restated Consolidated Financial Information are solely based on the reports of other auditors.

These other auditors have confirmed that the restated financial information relating to above mentioned entities have been made after incorporating:

(i) Material prior period items which have been adjusted to the respective years to which such prior period items are related;

(ii) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(iii) Adjustments for the material amounts in the respective financial years to which they relate.

4. **Other Financial Information**

Other Financial Information relating to the Group which is based on the Summary of Restated Consolidated Financial Statements prepared by the management and approved by the Board of Directors is attached in Annexures V to X to this report as listed hereunder:

a) Annexure V – Restated Consolidated Statement of Notes to Summary Financial Statements (Other financial information in relation to items in the Summary of Restated Consolidated Financial Statements have been included in Annexure V).

b) Annexure VI – Restated Consolidated Summary Statement on the Adjustments to Audited Financial Statements;
c) Annexure VII - Restated Consolidated Summary Statement of Accounting Ratios
d) Annexure VIII – Restated Consolidated Summary Statement of Capitalization
e) Annexure IX – Restated Consolidated Summary Statement of Dividends Paid / Proposed

5. The Restated Summary Financial Statements do not contain all the disclosures in the manner required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Group. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

6. **Management Responsibility on the Summary of Restated Consolidated Financial Statements and Other Financial Information**

   Management is responsible for the preparation of Summary of Restated Consolidated Financial Statements and Other Financial Information relating to the Group in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

   Our responsibility is to express an opinion on the Summary of Restated Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

   In our opinion, the financial information of the Group as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in **Annexure VI**, have been prepared in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

   The Summary of Restated Consolidated Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

   a) there are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Consolidated Financial Statements;

   b) adjustments for the material amounts, in the respective financial years to which they relate to, have been made in the attached summary of Restated Consolidated Financial Statements:

   c) the impact arising on account of changes in accounting policies adopted by the Group as at December 31, 2016, is applied with retrospective effect in the Summary of Restated Consolidated Financial Statements;

   d) there are no further extraordinary items other than those disclosed in the Summary of Restated Consolidated Financial Statements.

   Other remarks/comments in the Auditor's report including annexure to the Auditor's report of the Company and its subsidiary for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 which do not require any corrective adjustment in the Restated Consolidated Financial Information are mentioned in "Non-adjusting items" under Annexure VI.

9. The figures included in the Summary of Restated Consolidated Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as a reissuance or re dating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the RHP to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed IPO of equity shares of the Company. This report may not be useful for any other purpose.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

_____
S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(₹ in Millions)

	Particulars	Annexure	As at 31st December 2016	As at 31st March				
				2016	2015	2014	2013	2012
I.	**EQUITY AND LIABILITIES**							
1	**Shareholders' funds**							
(a)	Share Capital	V(1)	218.71	218.71	218.71	218.71	211.70	203.14
(b)	Reserves and Surplus	V(2)	3,102.76	2,687.33	2,313.60	2,114.50	1,786.93	1,411.57
2	**Minority Interest**	V(3)	0.45	0.35	0.27	0.22	0.19	33.49
3	**Non-current liabilities**							
(a)	Long-term borrowings	V(4)	76.63	52.64	65.61	57.96	115.83	191.27
(b)	Deferred tax liabilities (Net)	V(5)	151.69	131.19	98.40	82.97	56.00	31.45
(c)	Other Long term liabilities	V(6)	0.15	0.15	0.65	0.56	0.55	0.80
(d)	Long-term provisions	V(7)	7.24	6.45	6.15	1.04	1.00	1.00
4	**Current liabilities**							
(a)	Short-term borrowings	V(8)	2,632.86	2,082.74	2,788.40	2,736.17	2,599.06	1,973.42
(b)	Trade Payables	V(9)						
	- Due to Micro and Small Enterprises		-	-	-	-	-	-
	- Due to Others		1,895.89	2,338.11	1,380.71	1,210.60	1,078.63	717.43
(c)	Other current liabilities	V(10)	411.64	318.95	285.79	277.81	192.06	167.40
(d)	Short-term provisions	V(11)	163.78	154.52	95.59	66.16	49.44	67.21
	TOTAL		**8,661.80**	**7,991.14**	**7,253.88**	**6,766.70**	**6,091.39**	**4,798.18**
II.	**ASSETS**							
1	**Non-current assets**							
(a)	Fixed Assets	V(12)						
	- Tangible Assets		2,408.43	2,192.84	1,906.31	1,601.80	1,334.73	1,067.78
	- Capital Work-in-progress		-	-	-	-	1.10	4.80
(b)	Goodwill on consolidation	V(13)	140.40	140.40	140.40	149.60	40.32	21.18
(c)	Long-term loans and advances	V(14)	114.06	126.82	123.18	109.15	88.41	70.38
(d)	Other non-current assets	V(15)	40.53	22.66	25.00	11.49	3.18	6.46
(e)	Deferred Tax Assets (Net)	V(16)	-	0.03	1.22	8.89	-	-
2	**Current assets**							
(a)	Inventories	V(17)	2,901.99	2,558.77	2,320.68	2,212.26	1,849.28	1,295.53
(b)	Trade receivables	V(18)	2,910.62	2,810.39	2,598.22	2,496.54	2,599.04	2,182.85
(c)	Cash and Bank balances	V(19)	22.08	23.72	23.56	27.53	19.97	25.52
(d)	Short-term loans and advances	V(20)	123.66	114.76	114.93	148.37	67.06	85.86
(e)	Other Current Assets	V(21)	0.03	0.75	0.38	1.07	88.30	37.82
	TOTAL		**8,661.80**	**7,991.14**	**7,253.88**	**6,766.70**	**6,091.39**	**4,798.18**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(₹ in Millions)

	Particulars	Annexure	Nine months ended 31st December 2016	For the years ended 31st March				
				2016	2015	2014	2013	2012
I.	**Income**							
	Revenue from Operations (Gross)		18,235.07	21,614.64	20,892.40	20,055.14	18,286.02	14,451.22
	Less: Excise duty		1,137.56	1,255.44	1,104.24	784.10	620.44	314.19
	Revenue from Operations (Net)	V(22)	17,097.51	20,359.20	19,788.16	19,271.04	17,665.58	14,137.03
	Other income	V(23)	1.38	6.62	8.49	8.22	3.33	2.91
	Total Revenue		**17,098.89**	**20,365.82**	**19,796.65**	**19,279.26**	**17,668.91**	**14,139.94**
II.	**Expenses:**							
	Cost of materials consumed	V(24)	7,687.98	7,990.53	7,628.47	5,952.29	4,404.91	2,662.09
	Purchases of Stock-in-Trade		7,309.99	9,851.09	10,021.18	11,615.64	11,966.37	10,397.30
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	V(25)	(282.64)	(169.94)	(69.90)	(203.74)	(451.19)	(271.87)
	Employee benefits expense	V(26)	367.63	412.87	350.11	263.99	212.00	151.93
	Other expenses	V(27)	926.67	1,077.13	963.05	756.91	664.11	496.34
	Total Expenses		**16,009.63**	**19,161.68**	**18,892.91**	**18,385.09**	**16,796.20**	**13,435.79**
III.	**Restated earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)**		**1,089.26**	**1,204.14**	**903.74**	**894.17**	**872.71**	**704.15**
IV.	Depreciation and amortization expense	V(12)	85.02	95.14	88.07	57.60	46.42	28.92
V.	Finance costs	V(28)	374.53	459.71	470.30	416.44	348.66	227.77
VI.	**Restated Profit before tax (III-IV-V)**		**629.71**	**649.29**	**345.37**	**420.13**	**477.63**	**447.46**
VII.	**Tax expense:**							
	Current tax		193.65	201.93	94.15	117.58	134.83	125.80
	Add/(Less) MAT Credit		-	-	2.31	(2.31)	-	-
	Deferred tax		20.50	33.99	23.09	17.75	24.54	13.06
			214.15	**235.92**	**119.55**	**133.02**	**159.37**	**138.86**
VIII.	**Restated Profit after tax before Minority interest (VI-VII)**		**415.56**	**413.37**	**225.82**	**287.11**	**318.26**	**308.60**
IX.	Minority Interest		(0.10)	(0.08)	(0.05)	(0.03)	(0.06)	(9.72)
X.	**Restated Profit for the year/period (XIII-IX)**		**415.46**	**413.29**	**225.77**	**287.08**	**318.20**	**298.88**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure III - Restated Consolidated Summary Statement of Cash flows

(₹ in Millions)

Particulars	Nine months ended 31st December 2016	For the years ended 31st March				
		2016	2015	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax	629.71	649.29	345.37	420.13	477.63	447.46
Adjustments:						
Depreciation on Fixed Assets	85.02	95.14	88.07	57.60	46.42	28.92
Loss on sale of Fixed Assets	0.72	-	3.75	-	0.25	0.34
Provision for Doubtful Debts	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Foreign Currency Translation Reserve	(0.03)	(0.03)	(0.32)	(0.49)	-	-
Bad Debts Written off Net	0.01	0.31	(0.43)	0.65	1.45	1.45
Liabilities written back	-	-	-	(2.89)	-	-
Interest Paid	369.33	448.87	465.72	414.40	345.16	225.19
Profit on sale of Fixed Assets	-	(0.18)	(0.70)	(0.02)	(0.29)	(0.05)
Interest Received	(0.96)	(3.27)	(0.26)	(2.63)	(0.67)	(0.55)
Movement in operating profit before working capital changes	1,083.81	1,192.52	903.83	886.37	868.40	705.39
Changes in working capital						
(i) (Increase)/ Decrease in Inventory	(343.22)	(238.09)	(108.42)	(299.53)	(553.75)	(452.88)
(ii) (Increase)/ Decrease in Trade receivables	(100.25)	(214.87)	(103.88)	132.14	(416.09)	(540.14)
(iii) (Increase)/ Decrease in Loans & Advances and other receivables	(30.80)	(4.75)	17.31	40.73	(45.41)	(41.57)
(iv) Increase/ (Decrease) in Trade payables	(442.22)	957.40	170.11	131.97	361.20	(31.95)
(v) Increase/ (Decrease) in Provisions and other payables	84.58	17.38	(14.03)	(125.68)	14.67	30.00
CASH GENERATED/ (USED) IN OPERATING ACTIVITIES	251.90	1,709.59	864.92	766.00	229.02	(331.15)
Income tax Paid	(165.32)	(114.77)	(68.84)	(124.42)	(134.11)	(108.85)
NET CASH GENERATED/ (USED) IN OPERATING ACTIVITIES (A)	86.58	1,594.82	796.08	641.58	94.91	(440.00)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(303.04)	(381.94)	(415.21)	(294.15)	(314.18)	(502.77)
Capital Work in Progress	-	-	-	1.10	3.70	(4.80)
Sale of Fixed Assets	1.71	0.45	19.58	0.16	0.85	0.88
Acquisition of Subsidiary	-	-	-	(105.10)	(19.14)	-
Interest Received	1.69	2.87	0.25	2.33	0.67	0.55
NET CASH GENERATED/ (USED) IN INVESTING ACTIVITIES (B)	(299.64)	(378.62)	(395.38)	(395.66)	(328.10)	(506.14)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from / (Repayment of) Long Term Loans	20.10	(0.98)	40.70	26.84	0.99	(63.56)
Proceeds from / (Repayment of) Working capital loans	550.12	(705.66)	52.23	137.11	625.64	1,241.96
Proceeds from / (Repayment of) Public Deposits	-	-	-	(3.81)	(11.34)	(1.70)
Interest Paid	(352.09)	(450.01)	(471.03)	(412.99)	(343.08)	(222.57)
Dividend Paid (Including Dividend Distribution Tax)	(6.72)	(59.16)	(25.22)	(3.40)	(44.56)	(17.04)
NET CASH GENERATED/ (USED) IN FINANCING ACTIVITIES(C)	211.41	(1,215.81)	(403.32)	(256.25)	227.65	937.09
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1.65)	0.39	(2.62)	(10.33)	(5.54)	(9.05)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23.70	23.31	25.93	19.96	25.50	34.55
On acquisition of subsidiary				16.30		
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Ref Note : 19)	22.05	23.70	23.31	25.93	19.96	25.50

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S.SUNDARARAMAN
Partner
Membership No.028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

1 GENERAL INFORMATION

Shankara Building Products Limited is one of the India's leading organized retailer of home improvement and building products in India. It caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states in India.

The registered office of the Company is situated in the state of Karnataka, India. The Company changed its name to Shankara Building Products Limited effective from July 27, 2016.

2 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The 'Restated Consolidated Summary Statement of the Assets and Liabilities' of the Company as at 31st December 2016, 31st March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 and the 'Restated Consolidated Summary Statement of Profit and Loss' and the 'Restated Consolidated Summary Statement of Cash Flows' for the nine months period ended 31st December 2016 and for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013 and 31 March 2012 (collectively referred to as the "Restated summary financial statements"), along with Annexures IV to X (both collectively referred to as the "Restated Consolidated Summary Statement of 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 Consolidated Summary Statement of Financial Information has been prepared by applying necessary adjustments to the Consolidated financial statements ('financial statements') of the Company. The financial statements are prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and the requirements of the Companies Act, 1956 (up to 31 March 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014), other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 2013, to the extent applicable.

These Restated Consolidated Summary Financial Information have been prepared to comply in all material respects in accordance with the requirements of Sec 26 of the Companies Act, 2013, and the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

With effect from 1 April 2014, Schedule III (Revised Schedule VI as per the Companies Act, 1956 up to 31st March 2014) notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate reclassifications/regrouping have been made in the Restated Consolidated Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company ascertain its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Restated Consolidated Summary Financial Information are presented in Indian rupees, rounded off to nearest million, with two decimals except percentages, earnings per share data and where mentioned otherwise.

B BASIS OF CONSOLIDATION

The consolidated financial statements of Shankara Building Products Limited ('the company'), its subsidiaries Vishal Precision Steel Tubes & Strips Private Limited, Taurus Value Steel & Pipes Private Limited, Steel Networks Holdings Pte Limited, Centurywells Roofing India Private Limited are prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" as specified in section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014

b) the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's stand alone financial statements.

c) For the purposes of consolidation, the audited financial statements of the following companies have been considered:

i) Shankara Building Products Limited (Holding Company)
ii) Vishal Precision Steel Tubes & Strips Private Limited (Subsidiary Company)
iii) Taurus Value Steel & Pipes Private Limited (Subsidiary Company)
iv) Steel Networks Holdings Pte Ltd (Subsidiary Company)
v) Centurywells Roofing India Private Limited (Step-down subsidiary through Steel Networks Holdings Pte Limited)

d) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

e) Enterprises which are considered in consolidation:

Name of the Entity	Country of Incorporation	% Holding (including indirect holding)					
		as at 31st December	as at 31st March				
		2016	2016	2015	2014	2013	2012
Direct Subsidiary:							
Vishal Precision Steel Tubes & Strips Private Limited	India	99.89%	99.89%	99.89%	99.89%	99.89%	-
Taurus Value Steel & Pipes Private Limited	India	100.00%	100.00%	100.00%	100.00%	-	-
Steel Networks Holdings Pte Limited	Singapore	100.00%	100.00%	100.00%	100.00%	-	-
Step Down Subsidiary:							
Centurywells Roofing India Private Limited	India	100.00%	100.00%	100.00%	100.00%	-	-

f) Minority Interest's share of Net profits of Subsidiary for the year/period is identified and adjusted against the income of the group in order to arrive at the net income attributable to share holders of the Company

g) Minority interest's share of net assets of consolidated subsidiary has been identified and presented in the Consolidated balance sheet from liabilities and the equity of the Company's shareholders

C MEASUREMENT OF EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ('EBITDA')

The Company has elected to present EBITDA as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

D USE OF ESTIMATES

The preparation of financial statements in conformity with Generally accepted accounting principles in India ('Indian GAAP'), requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year/period. Examples of such estimates include provision for doubtful debts, employees retirement benefit plan, provision for income and other taxes, useful life of fixed assets etc. Actual results could differ from the estimates made. Any revision to accounting estimates is recognized prospectively in current and future periods.

E TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of tangible assets as specified in Part C of Schedule II to the Companies Act 2013 has been adopted. If the management's estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule/ useful life, depreciation is provided based on the management's estimate of the useful life/remaining useful life. In such cases, the difference is appropriately disclosed. Depreciation in respect of additions to Fixed Assets has been charged on pro rata basis for the period.

Depreciation on fixed assets is provided on Straight Line Method and Individual assets costing less than Rs.5,000/- each are depreciated fully during the year of purchase.

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

F IMPAIRMENT OF ASSET

The carrying amounts of assets are reviewed to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital after impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

G LEASES

Where the company is lessor

Leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

Where the company is lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset.

Leases where the Company has acquired substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

H REVENUE RECOGNITION

a) Sales revenues are accounted on delivery of goods. Such delivery is reckoned upon acknowledgement of receipts of goods by the transporter for delivery.
b) Other Income is recognized on accrual with due consideration for significant uncertainty if any in the realization of such income.

I INVENTORIES

a) Closing Stock of Inventories are valued at lower of cost, determined on FIFO basis, and net realizable value. Cost comprises Purchase price, inward freight, applicable taxes not eligible for credit & other attributable costs less rebates & discounts. 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.
b) All items of Stock which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

J INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are carried at cost, less provision for diminution (other than temporary) in value.

K EMPLOYEE BENEFITS

a) The liability for gratuity, considered as defined benefit is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. Actuarial gains and losses which comprise experience adjustments and effect of change in actuarial assumptions are recognized in the statement of profit and loss.
b) In respect of defined contribution plan the company makes the stipulated contributions in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.
c) Liabilities in respect of compensated absences are provided for in the year in which such benefit accrues net of encashment made.

L INCOME TAX

a) Taxes on Income for the current year/period is determined on the basis of taxable income and after considering the various deduction available under the Income Tax Act, 1961
b) Deferred Tax Asset/Liability resulting from timing differences between the book profits and Income for tax purpose is accounted for at the appropriate tax rate. Deferred tax asset are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying amount at each balance sheet date. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is a virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

M THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

Foreign currency transactions are recorded at the rate prevalent on the date of transactions. Monetary Assets and liabilities denominated in foreign currency are stated at closing rates at the year/period end and the resultant differences are recognized in the statement of Profit and Loss.

N PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

O EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

P BORROWING COSTS

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of profit and loss.

Q GOVERNMENT GRANTS AND SUBSIDIES:

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attached conditions will be complied with. Grants related to specific fixed assets are presented in the Balance Sheet by showing such grant as deduction from the fixed asset concerned. Grants received with reference to total investment in an undertaking are credited to capital reserve.

R SEGMENT REPORTING

i. The company identifies business segment as the primary segment as per AS-17. Under the primary segment, there are two reportable segments viz., (1) Retail and (2) Channel & Enterprise. These are identified considering the nature of the products, the differing risks and returns and their contribution to company's sales and revenue profits. The valuation of inter segment transfers are based on the comparable market prices of the Transferring segment.

ii. The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.
iii. Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses.
iv. The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

S Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated

1 SHARE CAPITAL

(₹ and numbers in Millions)

Particulars	As at 31st December 2016		As at 31st March									
			2 016		2 015		2 014		2 013		2 012	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised												
Equity shares of Rs.10/- each	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00
Issued, Subscribed & Paid up												
Equity shares of Rs.10/- each, fully paid	21.87	218.71	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14
Total	**21.87**	**218.71**	**21.87**	**218.71**	**21.87**	**218.71**	**21.87**	**218.71**	**21.17**	**211.70**	**20.31**	**203.14**

1a. Reconciliation of number of shares (Equity shares)

Particulars	As at 31st December 2016		As at 31st March									
			2016		2015		2014		2013		2012	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year/period	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14	20.31	203.14
Add : Shares Issued	-	-	-	-	-	-	0.70	7.01	0.86	8.57	-	-
Shares outstanding at the end of the year/period	21.87	218.71	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14

1b. Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity

The company has one class of equity shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. Equity shares held by Fairwinds Trustee Services Private Limited (formerly known as Reliance Alternative Investments Services Private Limited) carry the rights of 'Liquidation preference' whereby the said shares are eligible for preferantial claims over residual funds available for distribution to equity share holders in the event of liquidation subject to the provisions of law and 'Fall Away Event' as defined in the shareholders' agreement dated 24th February 2011. Pursuant to the waiver and termination agreement dated September 22, 2016 executed among the Company, Promoter ('Sukumar Srinivas') and the Investor ('Reliance Alternative Investments Fund – Private Equity Scheme I through its trustee Fairwinds Trustees Services Private Limited'), liquidation preference will cease to have effect upon listing of Equity shares of the company and the rights under fall away event remains suspended till 31st May 2017.

1c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31st December 2016		As at 31st March									
			2016		2015		2014		2013		2012	
	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding
Sukumar Srinivas	13.34	60.98%	13.44	61.43%	13.44	61.43%	13.43	61.41%	13.41	63.35%	13.39	65.93%
Fairwinds Trustee Services Private Limited	7.61	34.78%	7.61	34.78%	7.61	34.78%	7.61	34.78%	6.91	32.62%	6.05	29.78%

1d. Aggregate number & class of shares:	31-Dec-16	2016	2015	2014	2013	2012
-Allotted by the company as fully paid up pursuance to contracts without receipt of cash	-	-	-	-	-	-
-Allotted by the company as fully paid up by way of bonus shares	-	-	-	-	-	-
-Bought back by the company	-	-	-	-	-	-

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated Contd.,

(₹ in Millions)

2 RESERVES & SURPLUS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Capital Reserves						
As per last balance sheet	**1.86**	**1.86**	**1.86**	**1.86**	**1.86**	**1.86**
Foreign Currency Translation reserve						
As per last balance sheet	(0.84)	(0.81)	(0.49)	-	-	-
Add : Transfer	(0.03)	(0.03)	(0.32)	(0.49)	-	-
Closing balance	**(0.87)**	**(0.84)**	**(0.81)**	**(0.49)**	**-**	**-**
Securities Premium						
Opening Balance	703.73	703.73	703.73	637.04	555.53	555.53
Securities premium credited on Issue of shares	-	-	-	66.69	81.51	-
Closing Balance	**703.73**	**703.73**	**703.73**	**703.73**	**637.04**	**555.53**
General Reserve						
As per last balance sheet	12.36	12.36	12.36	12.36	12.36	12.36
Surplus in the Statement of Profit or Loss						
As per last balance sheet	1,970.22	1,596.46	1,397.04	1,135.67	841.82	566.55
Net Profit for the year/period	415.46	413.29	225.77	287.08	318.20	298.88
Adjustment on account of bad debts	-	-	-	(0.49)	-	-
Proposed Dividends	-	-	(21.87)	(21.70)	-	(20.31)
Interim Dividend	-	(32.81)	-	-	(20.95)	-
Dividend Distribution tax	-	(6.72)	(4.48)	(3.52)	(3.40)	(3.30)
	2,385.68	**1,970.22**	**1,596.46**	**1,397.04**	**1,135.67**	**841.82**
Total	**3,102.76**	**2,687.33**	**2,313.60**	**2,114.50**	**1,786.93**	**1,411.57**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

3 MINORITY INTEREST

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
As per last balance sheet	0.35	0.27	0.22	0.19	33.49	23.77
Less : Amount transferred	-	-	-	-	(33.36)	-
Add: Current year/period profits	0.10	0.08	0.05	0.03	0.06	9.72
Total	**0.45**	**0.35**	**0.27**	**0.22**	**0.19**	**33.49**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

4 LONG TERM BORROWINGS AS RESTATED

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Secured						
i) Loan From Banks (Also Refer Note 10)	76.63	52.64	65.61	56.68	37.22	22.77
a) The balance amount outstanding Rs.8,33,33,333 repayable in 30 monthly installments along with interest of 10.50% p.a						
b) The balance amount outstanding Rs.81,57,207 repayable in 29 monthly installments along with interest of 9.65% p.a						
c) The balance amount outstanding Rs.18,94,460 repayable in 1 monthly installments along with interest of 12.50% p.a						
d) The balance amount outstanding Rs.1,66,66,667 repayable in 5 monthly installments along with interest of 12.95% p.a						
e) The balance amount outstanding Rs.5,40,86,667 repayable in 20 monthly installments along with interest of 12% p.a						
f) First pari passu charge on the fixed assets of the company and corporate guarantee of the holding company						
ii) Finance Lease Obligation: - Hire Purchase Credits	-	-	-	1.28	4.91	0.91
[Secured by hypothecation of Vehicles under Hire purchase scheme.]						
Unsecured						
Debentures	-	-	-	-	73.70	163.78
[15,57,380 debentures were allotted on 8th March 2011 carrying Coupon Rate of 1.44% p.a is payable yearly on or before 31st March of every year. Out of these debentures, 8,56,559 debentures (55%) were converted to equity shares on 4th July 2012 and the remaining 7,00,821 debentures (45%) were converted into equity shares on 28th June 2013]						
Public deposits *	-	-	-	-	-	3.81
[The deposits were repayable within a period of 36 months from the date of receipt. They carried an interest rate of 12% p.a. which were fully redeemed during 2013-14]						
Total	**76.63**	**52.64**	**65.61**	**57.96**	**115.83**	**191.27**

* The company has complied with the provision of Companies (Acceptance of Deposit) Rules, 1975

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

5 DEFERRED TAX LIABILITIES (NET)

The break up of deferred tax assets and deferred tax liabilities are as given below:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Deferred Tax Liability:						
On account of depreciation	156.99	134.78	106.43	87.32	61.35	37.19
Deferred Tax Asset:						
On account of disallowance under Section 43B	(5.30)	(3.59)	(8.03)	(4.35)	(5.35)	(5.74)
Net Deferred Tax Liability	**151.69**	**131.19**	**98.40**	**82.97**	**56.00**	**31.45**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

6 OTHER LONG TERM LIABILITIES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Earnest Money Deposit from customers	-	-	0.50	0.50	0.50	0.50
Rental Advance	0.15	0.15	0.15	0.06	0.05	0.30
Total	**0.15**	**0.15**	**0.65**	**0.56**	**0.55**	**0.80**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

7 LONG TERM PROVISIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Provision for Employee benefits						
Gratuity (Note 32)	5.32	4.95	4.84	1.04	1.00	1.00
Compensated Absences	1.92	1.50	1.31	-	-	-
Total	**7.24**	**6.45**	**6.15**	**1.04**	**1.00**	**1.00**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

8 SHORT TERM BORROWINGS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Secured						
From Banks	2,517.00	1,933.12	2,788.40	2,556.71	2,419.54	1,794.73
Working capital facility						
[First pari passu floating charge on the existing and future current assets belonging to the company and guaranteed by Managing director]						
Unsecured						
From others	115.86	149.62	0.00	179.46	179.52	178.69
	2,632.86	**2,082.74**	**2,788.40**	**2,736.17**	**2,599.06**	**1,973.42**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

9 TRADE PAYABLES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Due to Micro & Small Enterprises *	-	-	-	-	-	-
Due to Others **	1,895.89	2,338.11	1,380.71	1,210.60	1,078.63	717.43
Total	**1,895.89**	**2,338.11**	**1,380.71**	**1,210.60**	**1,078.63**	**717.43**

*The Company has sought confirmation from parties of their status under the Micro, Small & Medium enterprise development Act, 2006 (MSMED). Based on the details available and confirmations received from the parties classification under the said Act has been made and disclosure have been made accordingly.

** Balances in parties' accounts are subject to reconciliation/confirmation and adjustment consequent to such reconciliation if any. In the opinion of the management any such adjustment would be not material.

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

10 OTHER CURRENT LIABILITIES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Current maturities of Secured Bank Loans	87.51	91.40	77.73	42.73	31.57	46.92
Current maturities of finance lease obligations	-	-	1.68	3.63	3.78	2.08
Current maturities of Public Deposit	-	-	-	-	3.81	11.34
Interest accrued but not due on borrowings	17.64	0.43	1.56	6.87	5.45	3.36
Employee Benefits payable	39.21	43.08	24.33	23.68	17.90	11.07
Statutory dues	131.34	95.89	100.14	92.38	83.45	46.21
Advances received from customers	74.00	37.71	28.61	41.63	21.09	17.81
Other expenses payable	61.93	50.44	51.73	66.89	25.01	28.61
Unpaid Dividend	0.01	-	0.01	-	-	-
Total	**411.64**	**318.95**	**285.79**	**277.81**	**192.06**	**167.40**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

11 SHORT TERM PROVISIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Provision for employee benefits						
Provision for Gratuity (Net)	3.51	0.83	5.31	2.99	4.26	3.65
Provision for compensated absences	2.57	0.83	1.07	2.87	1.34	1.24
Proposed dividend	-	-	21.87	21.70	-	20.31
Dividend distribution tax	-	6.72	4.48	3.52	3.40	3.30
Provision for Income Tax (Net)	157.70	146.14	62.86	35.08	40.44	38.71
Total	**163.78**	**154.52**	**95.59**	**66.16**	**49.44**	**67.21**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

12 FIXED ASSETS

(₹ in Millions)

12a TANGIBLE ASSETS AS AT 31-Dec-2016

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2016	Additions	Disposals	Balance as at 31 Dec 2016	Up to 31 March 2016	Depreciation for the period	On disposals	Balance as at 31 Dec 2016	Balance as at 31 Dec 2016
Freehold Land	561.48	18.75	-	580.23	-	-	-	-	580.23
Buildings	896.20	82.78	-	978.98	83.47	18.35	-	101.82	877.16
Plant and Equipment	863.52	145.33	-	1,008.85	204.10	39.48	-	243.58	765.27
Furniture and Fixtures	148.87	20.72	-	169.59	53.27	10.68	-	63.95	105.64
Office equipment	38.12	3.32	-	41.44	24.92	4.80	-	29.72	11.72
Computers	32.43	2.49	-	34.92	26.76	2.33	-	29.09	5.83
Vehicles	93.13	29.65	14.93	107.85	51.54	9.17	12.50	48.21	59.64
Borewell	1.91	-	-	1.91	0.48	0.08	-	0.56	1.35
Steel Mill Rolls	7.47	-	-	7.47	7.47	-	-	7.47	-
Tools, Jigs & Fixtures	3.45	-	-	3.45	1.73	0.13	-	1.86	1.59
Total	**2,646.58**	**303.04**	**14.93**	**2,934.69**	**453.74**	**85.02**	**12.50**	**526.26**	**2,408.43**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

12 FIXED ASSETS

(₹ in Millions)

12b TANGIBLE ASSETS 2015-16

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 March 2016	Up to 31 March 2015	Depreciation for the year	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2016
Freehold Land	514.53	46.95	-	561.48	-	-	-	-	561.48
Buildings	768.24	127.96	-	896.20	63.69	19.78	-	83.47	812.73
Plant and Equipment	685.19	178.33	-	863.52	158.81	45.29	-	204.10	659.42
Furniture and Fixtures	130.77	18.10	-	148.87	38.67	14.60	-	53.27	95.60
Office equipment	34.50	3.62	-	38.12	20.38	4.54	-	24.92	13.20
Computers	29.96	2.47	-	32.43	23.55	3.21	-	26.76	5.67
Vehicles	90.71	4.13	1.71	93.13	45.55	7.43	1.44	51.54	41.59
Borewell	1.53	0.38	-	1.91	0.37	0.11	-	0.48	1.43
Steel Mill Rolls	7.47	-	-	7.47	7.47	-	-	7.47	-
Tools, Jigs & Fixtures	3.45	-	-	3.45	1.55	0.18	-	1.73	1.72
Total	**2,266.35**	**381.94**	**1.71**	**2,646.58**	**360.04**	**95.14**	**1.44**	**453.74**	**2,192.84**

12c TANGIBLE ASSETS 2014-15

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Up to 31 March 2014	Depreciation for the year	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015
Freehold Land	446.77	86.47	18.71	514.53	-	-	-	-	514.53
Buildings	626.30	141.94	-	768.24	50.00	13.69	-	63.69	704.55
Plant and Equipment	553.53	134.80	3.14	685.19	120.49	38.44	0.12	158.81	526.38
Furniture and Fixtures	101.32	29.45	-	130.77	25.05	13.62	-	38.67	92.10
Office equipment	29.64	4.86	-	34.50	14.77	5.61	-	20.38	14.12
Computers	26.65	3.31	-	29.96	17.84	5.71	-	23.55	6.41
Vehicles	81.64	13.57	4.50	90.71	38.44	10.71	3.60	45.55	45.16
Borewell	0.72	0.81	-	1.53	0.30	0.07	-	0.37	1.16
Steel Mill Rolls	7.47	-	-	7.47	7.47	-	-	7.47	-
Tools, Jigs & Fixtures	3.45	-	-	3.45	1.33	0.22	-	1.55	1.90
Total	**1,877.49**	**415.21**	**26.35**	**2,266.35**	**275.69**	**88.07**	**3.72**	**360.04**	**1,906.31**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated Contd.,

12 FIXED ASSETS

(₹ in Millions)

12d TANGIBLE ASSETS 2013-14

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance as at 1 April 2014	On acquisition of Subsidiary during the year	Additions	Disposals	Balance as at 31 March 2014	Up to 31 March 2013	Depreciation for the year	On acquisition of Subsidiary during the year	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014
Freehold Land	400.27		46.50	-	446.77	-	-	-	-	-	446.77
Buildings	484.86	1.44	140.00	-	626.30	33.13	15.86	1.01	-	50.00	576.30
Plant and Equipment	423.95	57.77	71.81	-	553.53	69.64	20.97	29.88	-	120.49	433.04
Furniture and Fixtures	73.33	3.16	24.83	-	101.32	17.44	5.61	2.00	-	25.05	76.27
Office equipment	22.48	1.25	5.91	-	29.64	10.10	4.00	0.67	-	14.77	14.87
Computers	18.94	4.80	2.91	-	26.65	10.55	3.01	4.23	(0.05)	17.84	8.81
Vehicles	79.84	0.10	2.19	0.49	81.64	30.83	7.94	0.07	0.40	38.44	43.20
Borewell	0.72	-	-	-	0.72	0.25	0.05	-	-	0.30	0.42
Steel Mill Rolls	7.47	-	-	-	7.47	7.47	-	-	-	7.47	-
Tools, Jigs & Fixtures	3.45	-	-	-	3.45	1.17	0.16	-	-	1.33	2.12
Total	**1,515.31**	**68.52**	**294.15**	**0.49**	**1,877.49**	**180.58**	**57.60**	**37.86**	**0.35**	**275.69**	**1,601.80**

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated Contd.,

12 FIXED ASSETS

(₹ in Millions)

12e TANGIBLE ASSETS 2012-13

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Up to 31 March 2012	Depreciation for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013
Freehold Land	399.49	0.78	-	400.27	-	-	-	-	400.27
Buildings	335.02	149.84	-	484.86	21.12	12.01	-	33.13	451.73
Plant and Equipment	296.50	127.45	-	423.95	51.78	17.86	-	69.64	354.31
Furniture and Fixtures	58.59	15.05	0.31	73.33	13.39	4.15	0.10	17.44	55.89
Office equipment	19.78	2.70	-	22.48	7.45	2.65	-	10.10	12.38
Computers	14.64	4.30	-	18.94	8.52	2.03	-	10.55	8.39
Vehicles	67.85	14.06	2.07	79.84	24.79	7.51	1.47	30.83	49.01
Borewell	0.72	-	-	0.72	0.20	0.05	-	0.25	0.47
Steel Mill Rolls	7.47	-	-	7.47	7.47	-	-	7.47	-
Tools, Jigs & Fixtures	3.45	-	-	3.45	1.01	0.16	-	1.17	2.28
Total	**1,203.51**	**314.18**	**2.38**	**1,515.31**	**135.73**	**46.42**	**1.57**	**180.58**	**1,334.73**

12f TANGIBLE ASSETS 2011-12

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Up to 31 March 2011	Depreciation for the year	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012
Freehold Land	219.54	180.95	1.00	399.49	-	-	-	-	399.49
Buildings	185.20	149.82	-	335.02	14.15	6.97	-	21.12	313.90
Plant and Equipment	156.51	139.99	-	296.50	41.88	9.90	-	51.78	244.72
Furniture and Fixtures	43.45	15.16	0.02	58.59	10.22	3.18	0.01	13.39	45.20
Office equipment	16.38	3.40	-	19.78	5.72	1.73	-	7.45	12.33
Computers	12.10	2.54	-	14.64	7.80	0.72	-	8.52	6.12
Vehicles	58.72	10.62	1.49	67.85	19.90	6.22	1.33	24.79	43.06
Borewell	0.61	0.11	-	0.72	0.16	0.04	-	0.20	0.52
Steel Mill Rolls	7.47	-	-	7.47	7.47	-	-	7.47	-
Tools, Jigs & Fixtures	3.27	0.18	-	3.45	0.85	0.16	-	1.01	2.44
Total	**703.25**	**502.77**	**2.51**	**1,203.51**	**108.15**	**28.92**	**1.34**	**135.73**	**1,067.78**

(₹ in Millions)

13 GOODWILL ON CONSOLIDATION

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Opening balance	140.40	140.40	149.60	40.32	21.18	21.18
Add : Addition due to increased stake in subsidiary company	-	-	(9.20)	109.28	19.14	-
Less : Impairment	-	-	-	-	-	-
Total	**140.40**	**140.40**	**140.40**	**149.60**	**40.32**	**21.18**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

14 LONG TERM LOANS AND ADVANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured, considered good						
Capital advances	20.05	29.64	30.53	27.66	32.59	16.36
Security Deposits	90.30	77.71	70.38	58.67	36.89	36.33
Advance Income Tax (Net)	-	16.77	20.65	18.18	16.70	15.69
Dealers Deposit	2.85	1.84	0.66	0.78	2.23	2.00
VAT Input	-	-	-	1.55	-	-
Gratuity advance to staff	0.86	0.86	0.96	-	-	-
MAT credit entitlement	-	-	-	2.31	-	-
Total	**114.06**	**126.82**	**123.18**	**109.15**	**88.41**	**70.38**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

15 OTHER NON CURRENT ASSETS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Long-term trade receivables						
Unsecured considered good	40.53	22.66	25.00	11.49	3.18	6.46
Doubtful	4.79	4.79	12.63	10.00	10.38	11.93
	45.32	27.45	37.63	21.49	13.56	18.39
Less: Provision for doubtful debts	(4.79)	(4.79)	(12.63)	(10.00)	(10.38)	(11.93)
Total	**40.53**	**22.66**	**25.00**	**11.49**	**3.18**	**6.46**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

16 DEFERRED TAX ASSET (NET)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Deferred Tax Asset On account of:						
Carried forward losses	-	0.03	1.03	7.99	-	-
Depreciation	-	-	0.19	0.90	-	-
Total	**-**	**0.03**	**1.22**	**8.89**	**-**	**-**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

17 INVENTORIES (Valued at cost or net realizable value, whichever is less)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Raw Materials	591.62	541.56	468.04	443.00	244.24	182.47
Finished goods	620.76	320.52	420.18	532.22	251.19	93.61
Work in progress	-	-	-	-	49.66	55.57
Stock-in-trade	1,611.55	1,629.15	1,359.55	1,177.61	1,262.22	943.13
Stores and spares	78.06	67.54	72.91	59.43	41.97	20.75
Total	**2,901.99**	**2,558.77**	**2,320.68**	**2,212.26**	**1,849.28**	**1,295.53**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

18 TRADE RECEIVABLES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment						
Unsecured,considered good	42.73	32.60	40.26	34.79	35.04	13.30
Trade receivables outstanding for a period not exceeding six months from the date they are due for payment						
Unsecured,considered good	2,867.89	2,777.79	2,557.96	2,461.75	2,564.00	2,169.55
Total	**2,910.62**	**2,810.39**	**2,598.22**	**2,496.54**	**2,599.04**	**2,182.85**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

19 CASH & BANK BALANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Cash and Cash equivalents						
Cash on hand	10.64	11.86	16.08	10.12	10.34	12.46
Bank Balances In Current Account	2.57	1.99	7.23	15.81	9.62	13.04
Term Deposits with maturity less than 3 months at inception	8.84	9.85	0.00	0.00	0.00	0.00
Cash & Cash Equivalents	22.05	23.70	23.31	25.93	19.96	25.50
Other bank balances						
Margin Money	0.03	0.02	0.25	1.60	0.01	0.02
	0.03	0.02	0.25	1.60	0.01	0.02
Total	**22.08**	**23.72**	**23.56**	**27.53**	**19.97**	**25.52**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

20 SHORT TERM LOANS & ADVANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured considered good, unless otherwise stated:						
Loans and advances to related parties (Refer note 34a)	-	-	-	-	-	0.07
Advances for purchases	53.52	63.41	69.08	107.79	43.51	47.65
Advances recoverable in cash or kind	-	-	-	-	-	15.15
Staff Advance	6.33	10.12	9.45	8.96	4.31	7.91
Prepaid Expenses	2.34	3.74	9.88	4.23	2.99	2.62
Balance with Government authorities	25.55	37.49	26.52	27.39	16.25	12.46
Others *	35.92	-	-	-	-	-
Total	**123.66**	**114.76**	**114.93**	**148.37**	**67.06**	**85.86**

* Represents IPO expenses pending adjustment

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

21 OTHER CURRENT ASSETS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured, considered good:						
Interest accrued on others	-	0.73	0.33	0.32	0.02	0.02
Discount Receivable	0.01	0.01	-	-	88.09	37.42
Rent receivable	0.02	0.01	0.05	0.75	0.01	0.38
Others	-	-	-	-	0.18	-
Total	**0.03**	**0.75**	**0.38**	**1.07**	**88.30**	**37.82**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

22 REVENUE FROM OPERATIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Building Products	17,097.51	20,359.20	19,788.16	19,271.04	17,665.58	14,137.03
Total	**17,097.51**	**20,359.20**	**19,788.16**	**19,271.04**	**17,665.58**	**14,137.03**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

23 OTHER INCOME

Particulars	Nature	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Interest Income	Non-Recurring	0.96	3.27	0.26	2.63	0.67	0.55
Rent received (Net)*	Recurring	0.14	0.32	0.28	0.95	0.45	1.11
Profit on sale of asset (Net)	Non-Recurring	-	0.18	0.70	0.02	0.29	0.05
Miscellaneous income	Non-Recurring	0.28	2.85	7.25	4.62	1.92	1.20
Total		**1.38**	**6.62**	**8.49**	**8.22**	**3.33**	**2.91**

*** Where the Company is the lessor**

The Company has given building on operating leases. These lease arrangements are for a period of 11 months and includes only cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

24 COST OF MATERIALS CONSUMED

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Opening stock of raw materials	541.56	468.04	443.00	293.91	238.04	67.64
Add: Stock adjustment on acquisition	-	-	-	45.29	-	-
Add: Purchases	7,738.04	8,064.05	7,653.51	6,056.09	4,460.78	2,832.49
	8,279.60	8,532.09	8,096.51	6,395.29	4,698.82	2,900.13
Less: Closing Stock	(591.62)	(541.56)	(468.04)	(443.00)	(293.91)	(238.04)
Total	**7,687.98**	**7,990.53**	**7,628.47**	**5,952.29**	**4,404.91**	**2,662.09**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

25 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Closing stock of Finished goods	620.76	320.52	420.18	346.85	225.71	93.61
Opening stock of Finished goods	320.52	420.18	346.85	225.71	93.61	58.69
Stock adjustment on acquisition	-	-	-	18.16	-	-
	(300.24)	99.66	(73.33)	(102.98)	(132.10)	(34.92)
Closing stock of Stock in trade	1,611.55	1,629.15	1,359.55	1,362.98	1,262.22	943.13
Opening stock of Stock in trade	1,629.15	1,359.55	1,362.98	1,262.22	943.13	706.18
	17.60	(269.60)	3.43	(100.76)	(319.09)	(236.95)
Total	**(282.64)**	**(169.94)**	**(69.90)**	**(203.74)**	**(451.19)**	**(271.87)**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

26 EMPLOYEE BENEFITS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Salaries and Wages	274.84	313.49	263.47	183.21	144.43	91.51
Remuneration To Directors	13.15	15.25	13.86	12.60	10.20	11.70
Bonus to Staff & Exgratia	26.70	30.35	25.95	19.99	17.81	13.65
Compensated absences	2.42	2.96	2.35	6.24	1.69	1.53
Gratuity-Employees (Refer note 32)	8.27	2.53	5.65	1.32	4.54	6.72
Staff Welfare Expenses	10.52	13.21	10.77	8.60	8.70	5.12
Staff Labour Stipend	14.97	14.63	9.77	16.15	11.14	11.07
Contribution for:						
Employee state insurance (Refer Note 32a)	2.30	3.31	3.35	3.24	2.79	2.33
Provident fund (Refer Note 32a)	14.46	17.14	14.94	12.64	10.70	8.30
Total	**367.63**	**412.87**	**350.11**	**263.99**	**212.00**	**151.93**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

28 FINANCE COSTS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Interest Expense	345.49	412.51	455.61	414.28	334.26	205.54
Other borrowing costs	23.84	36.36	10.11	0.12	10.90	19.65
Interest on Income Tax	5.20	10.84	4.58	2.04	3.50	2.58
Total	**374.53**	**459.71**	**470.30**	**416.44**	**348.66**	**227.77**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

27 OTHER EXPENSES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Power & Fuel	99.13	111.40	95.50	84.00	51.64	33.10
Consumption of Stores & Spares	300.51	382.61	355.96	210.52	99.43	39.40
Rent (refer note 27a)	66.31	72.70	68.18	56.05	45.84	30.29
Repairs to Buildings	-	0.15	0.19	0.15	0.13	0.33
Repairs-Others	35.66	60.41	61.16	53.93	52.37	45.58
Insurance Charges	4.29	6.25	4.53	5.63	4.30	3.46
Rates & Taxes	53.91	21.49	27.26	77.21	33.03	21.24
Travelling Expenses	18.21	18.66	20.54	18.52	14.05	10.55
Directors fees	0.28	0.25	0.10	0.06	0.05	0.11
Payment to Auditors						
Statutory Audit	1.36	2.01	1.72	1.50	1.16	0.86
Tax Audit	-	0.40	0.36	0.18	0.18	0.18
Other services	0.01	0.02	0.20	0.51	0.55	0.26
Reimbursement of Expenses	0.10	0.10	0.34	0.19	0.18	0.03
Service tax	-	-	0.28	0.03	0.14	0.13
Professional fees	12.09	9.39	7.57	12.16	5.77	4.07
Printing & Stationery	10.43	9.20	8.58	7.78	5.68	5.00
Communication Expenses	9.91	12.08	11.02	9.55	7.07	6.52
Advertisement & Publicity Expenses	6.66	5.59	6.87	7.53	5.58	8.03
Provision for doubtful debts/advances	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Coolie Charges	54.74	70.54	56.01	46.95	39.93	40.27
Discount Allowed	-	-	-	-	1.19	12.47
Freight Charges	202.55	234.17	183.91	108.72	248.03	190.76
Commission Charges	5.86	7.01	5.53	14.31	13.80	15.15
Bad Debts written off	0.01	0.31	(0.43)	0.65	1.45	1.45
Loss on sale of asset	0.72	-	3.73	0.45	0.17	0.34
Miscellaneous Expenses	43.92	50.00	41.31	40.71	33.94	24.13
Total	**926.67**	**1,077.13**	**963.05**	**756.91**	**664.11**	**496.34**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

27a LEASING ARRANGEMENTS

Operating Lease - Where the Company is the lessee

The significant leasing arrangements entered into by the company include the following:

Building taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation for employees and which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by the Lessee for any reason by giving notice of between 1 and 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses in Note 27 are as follows: **(₹ in Millions)**

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Minimum lease payment made on operating lease	66.31	72.70	68.18	56.05	45.84	30.29

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

29 The Company has neither any foreign currency earnings nor any foreign currency expenditure for the nine months ended 31st December 2016 and for the years ended 31st March 2012, 31st March 2013, 31st Mrch 2014, 31st March 2015 & 31st March 2016

30 CASH & CASH EQUIVALENTS (₹ in Millions)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Cash and Cash equivalents						
Cash on hand	10.64	11.86	16.08	10.12	10.34	12.46
Balances with Bank in Current Account	2.57	1.99	7.23	15.81	9.62	13.04
Term Deposits with maturity less than 3 months at inception	8.84	9.85	-	-	-	-
Total	**22.05**	**23.70**	**23.31**	**25.93**	**19.96**	**25.50**

The company has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the same is disclosed as net of such collections.

The above mentioned cash and cash equivalents does not contain any amount that are not available for use by the company.

31 CONTINGENT LIABILITIES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i) Contingent Liabilities						
Bank Guarantee	3.00	3.00	-	-	-	-
Disputed Income tax demand	3.62	6.34	6.34	6.34	6.46	12.18
Total	**6.62**	**9.34**	**6.34**	**6.34**	**6.46**	**12.18**
(ii) Commitments						
Estimated value of capital commitments towards buildings (Net of advance)	-	3.59	5.64	-	4.20	9.25
Estimated value of capital commitments towards purchase of property. (Net of advance)	-	-	17.24	-	-	-
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	57.59	41.44	2.00	-	18.62	31.02
Estimated value of capital commitments towards purchase of investments.	-	-	-	-	-	36.06
Total	**57.59**	**45.03**	**24.88**	**-**	**22.82**	**76.33**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

32 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED)-EMPLOYEE BENIFITS

The Disclosure relating to defined benefit plans under AS-15:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
I. Table Showing Change in present Value Obligation :						
Liability at the beginning	36.35	33.97	24.74	24.27	16.00	8.57
Interest Cost	2.07	2.65	2.30	1.91	1.36	0.69
Current Service Cost	4.14	4.41	3.73	3.47	2.27	1.20
Benefit Paid	(1.63)	(1.86)	(1.79)	(1.86)	(0.45)	(0.18)
Past Service Cost (Vested Benefit)	1.06	1.15	0.59	-	-	-
Actuarial (gain)/loss on obligations	3.71	(3.98)	4.39	(3.04)	2.22	2.12
Liability at the end	**45.71**	**36.35**	**33.97**	**24.74**	**21.40**	**12.39**
II. Change in Fair value of Plan Assets :						
Fair Value of Plan Assets at the beginning	31.97	24.82	21.24	17.14	12.66	8.62
Expected Return on Plan Assets	1.81	2.11	1.72	1.37	1.08	0.69
Contributions	4.28	7.18	2.48	5.08	3.47	3.01
Benefit Paid	(1.63)	(1.86)	(1.79)	(1.86)	(0.45)	(0.18)
Actuarial gain/(loss) on Plan Assets	1.45	(0.28)	1.17	(0.49)	0.39	0.03
Fair Value of Plan Assets at the end	37.88	31.97	24.82	21.24	17.14	12.17
Total Actuarial Gain/(Loss) To Be Recognised	**(2.26)**	**3.69**	**(3.23)**	**2.55**	**(1.84)**	**(2.09)**
III. Actual Return on Plan Assets :						
Expected Return on Plan Assets	1.81	2.11	1.35	1.07	1.08	0.69
Actuarial gain/(loss) on Plan Assets	1.45	(0.28)	2.98	(0.35)	0.39	0.03
Actual Return on Plan Assets	**3.25**	**1.83**	**4.33**	**0.72**	**1.46**	**0.72**
IV. Amount Recognised in the Balance Sheet :						
Liability at the end of the year	45.71	36.35	33.97	24.74	21.40	12.39
Fair Value of Plan Assets at the end of the year	37.88	31.58	24.82	21.24	17.14	12.17
Difference	(7.83)	(4.78)	(9.15)	(3.50)	(4.26)	(0.22)
Amount Recognised in the Balance Sheet	**(7.83)**	**(4.78)**	**(9.15)**	**(3.50)**	**(4.26)**	**(0.22)**
V. Expenses Recognised in the Income Statement :						
Current Service Cost	4.14	4.41	3.73	3.47	2.27	1.20
Interest Cost	2.07	2.65	2.30	1.91	1.36	0.69
Expected Return on Plan Assets	(1.81)	(2.11)	(1.72)	(1.37)	(1.08)	(0.69)
Past Service Cost (Vested Benefit) Recognised	1.06	1.15	2.23	0.02	-	-
Actuarial (Gain) or Loss	2.26	(3.69)	1.59	(2.58)	1.84	2.09
Expense Recognised in P& L	**7.73**	**2.41**	**8.13**	**1.45**	**4.39**	**3.29**
VI. Balance Sheet Reconciliation						
Opening Net Liability	4.38	9.15	3.50	7.13	3.34	(0.05)
Expense as above	7.73	2.77	8.13	1.45	4.39	3.29
Employers Contribution	(4.28)	(7.14)	(2.48)	(5.08)	(3.47)	(3.01)
Amount Recognised in Balance Sheet	**7.83**	**4.78**	**9.15**	**3.50**	**4.26**	**0.22**
VII Category of Assets as a percentage of total plan assets						
Insurance company	100%	100%	100%	100%	100%	100%
VIII. Assumptions :						
Discount Rate	7.60%	7.60%	7.80%	8.50%	8.50%	8.50%
Rate of Return on Plan Assets	7.80%	7.80%	8.00%	8.50%	8.50%	8.50%
Salary Escalation	7.00%	7.00%	7.00%	10.00%	10.00%	6.50%
Attrition Rate	10.00%	10.00%	10.00%	2.00%	2.00%	2.00%

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Experience Adjustment **(₹ in Millions)**

Amounts for the current and previous period are as follows:

Description	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined Benefit Obligation	45.71	36.35	33.97	24.74	21.40	12.39
Planned Asset	36.81	31.58	24.82	21.24	17.14	12.17
Surplus / (Deficit)	(8.90)	4.78	9.15	3.50	4.26	0.22
Experience Adjustment in plan liabilities	1.80	(3.98)	4.39	(3.04)	2.22	2.12
Experience Adjustment in plan assets	0.36	(0.28)	1.17	(0.49)	0.39	0.03

In respect of subsidiaries, the disclosure of present value of defined benefit obligation, the fair value of plan are furnished for financial years commencing from the year in which Accounting Standard 15 was adopted for compliance by the company. The non-disclosure of such information for periods prior to that date has no financial impact.

32 a Defined Contribution Plans

Contribution to Defined Contribution Plans, recognized as an expense for the year/period is as under:

Particulars	For the nine months ended 31 Dec 2016	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Employer's Contribution to Provident Fund (includes pension fund)	14.46	17.14	14.94	12.64	10.70	8.30
Employer's Contribution to Employee State Insurance	2.30	3.31	3.35	3.24	2.79	2.33
Total	**16.76**	**20.45**	**18.29**	**15.88**	**13.49**	**10.63**

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated Contd.,

33 SEGMENT REPORTING

(₹ In millions)

Particulars	31st December 2016			31st March 2016			31st March 2015		
	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total
Income									
External Sale	7,157.13	9,940.38	17,097.51	8,077.56	12,281.64	20,359.20	6,193.39	13,594.77	19,788.16
Segment Revenue	**7,157.13**	**9,940.38**	**17,097.51**	**8,077.56**	**12,281.64**	**20,359.20**	**6,193.39**	**13,594.77**	**19,788.16**
Segment Result#	**702.83**	**596.73**	**1,299.56**	**775.38**	**618.50**	**1,393.88**	**460.71**	**621.61**	**1,082.32**
Other Unallocated Items									
Finance Cost			374.53			459.71			470.30
Unallocable Corporate Expenses (Net)			295.32			284.88			266.65
Profit before tax			629.71			649.29			345.37
Tax Expense			214.15			235.92			119.55
Minority Interest			0.10			0.08			0.05
Profit after tax			415.46			413.29			225.77
OTHER INFORMATION									
Segment assets	1,616.60	4,218.08	5,834.68	1,467.30	3,929.90	5,397.20	1,082.53	3,859.93	4,942.46
Unallocated assets			2,827.12			2,593.94			2,311.42
Total Assets			8,661.80			7,991.14			7,253.88
Segment Liabilities	364.92	1,530.98	1,895.90	334.45	2,003.66	2,338.11	190.11	1,190.60	1,380.71
Unallocated liabilities			3,443.98			2,746.64			3,340.59
Total Liabilities			5,339.88			5,084.75			4,721.30
Capital Expenditure			303.04			381.94			415.21
Depreciation			85.02			95.14			88.07
Non-cash expenses other than depreciation			-			-			-

* Revenue from Channel & Enterprise segment are as follows:

	Nine months ended	For the years ended 31st March	
Particulars	**31-Dec-16**	**2016**	**2015**
Channel	4,239.19	5,726.71	6,755.71
Enterprise	5,701.19	6,554.93	6,839.06
Total	**9,940.38**	**12,281.64**	**13,594.77**

Segment Result represents Earnings before unallocated corporate expenses, Interest, Tax, Depreciation & Amortization.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)

Annexure V- Statement of Notes to Consolidated Summary Financial Statements as restated Contd.,

33 SEGMENT REPORTING

(₹ In millions)

Particulars	31st March 2014			31st March 2013			31st March 2012		
	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total	Retail	Channel & Enterprise *	Total
Income									
External Sale	4,646.67	14,624.37	19,271.04	3,836.01	13,829.57	17,665.58	2,947.20	11,189.83	14,137.03
Segment Revenue	**4,646.67**	**14,624.37**	**19,271.04**	**3,836.01**	**13,829.57**	**17,665.58**	**2,947.20**	**11,189.83**	**14,137.03**
Segment Result#	**218.25**	**824.33**	**1,042.58**	**129.34**	**881.12**	**1,010.46**	**69.11**	**750.40**	**819.51**
Other Unallocated Items									
Finance Cost			416.44			348.66			227.77
Unallocable Corporate Expenses (Net)			206.01			184.17			144.28
Profit before tax			420.13			477.63			447.46
Tax Expense			133.02			159.37			138.86
Minority Interest			0.03			0.06			9.72
Profit after tax			287.08			318.20			298.88
OTHER INFORMATION									
Segment assets	791.90	3,944.43	4,736.33	643.30	3,824.99	4,468.29	520.07	2,983.83	3,503.90
Unallocated assets			2,030.37			1,623.10			1,294.28
Total Assets			6,766.70			6,091.39			4,798.18
Segment Liabilities	118.66	1,091.94	1,210.60	119.39	959.24	1,078.63	54.82	662.61	717.43
Unallocated liabilities			3,222.67			3,013.94			2,432.55
Total Liabilities			4,433.27			4,092.57			3,149.98
Capital Expenditure			294.15			314.18			502.77
Depreciation			57.60			46.42			28.92
Non-cash expenses other than depreciation			-			-			-

* Revenue from Channel & Enterprise segment are as follows:

	For the years ended 31st March		
Particulars	**2014**	**2013**	**2012**
Channel	7,554.22	7,592.53	6,378.58
Enterprise	7,070.15	6,237.04	4,811.25
Total	**14,624.37**	**13,829.57**	**11,189.83**

Segment Result represents Earnings before unallocated corporate expenses, Interest, Tax, Depreciation & Amortization.

34 RELATED PARTY DISCLOSURES

34a List of related parties (as identified and certified by the management)

Nature of Relationship	Name of related parties
Enterprise which are able to exercise significant Influence	Fairwinds Trustee Services Private Limited (Formerly known as Reliance Alternative Investments Services Private Limited)
Company in which KMP is interested	1. Taurus Value Steel & Pipes private Limited [up to 17th April 2013] 2. Shankara Cargo Movers (up to 23rd August 2011) 3. Shankara Meta-Steel India Private Limited 4. Shankara Holdings Private Limited
Key Managerial Personnel	1. Sukumar Srinivas, Managing Director 2. C.Ravikumar, Whole time Director 3. R.S.V.Shivaprasad, Whole time Director 4. Alex Varghese, Chief Financial Officer 5. Ereena Vikram, Company Secretary [from 8th September 2016]]

b Aggregate Transactions with related parties: **(₹ in Millions)**

S.No	Nature of Transaction	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
1	**Remuneration to Key Managerial Personnel**						
	Managing Director						
	Mr. Sukumar Srinivas	8.42	9.76	8.87	8.06	6.72	8.74
	Whole time Director						
	Mr. Ravikumar Chowdappa	3.81	4.37	4.01	3.60	2.93	2.80
	Mr. RSV Shivaprasad	2.94	3.44	3.21	2.79	2.19	2.12
	Chief Financial Officer						
	Mr. Alex Varghese	1.41	1.54	1.31	-	-	-
	Company Secretary						
	Ms. Ereena Vikram	0.16					
2	**Rent paid**						
	Mr. Sukumar Srinivas	0.35	0.30	0.30	0.30	0.30	0.30
3	**Interest paid on Debentures**						
	Fairwinds Trustee Services Private Limited (Formerly Reliance Alternative Services Private Limited)	-	-	-	0.26	1.40	2.36
c	**Balance outstanding at the year/period end:**						
1	**Due from Director**						
	Mr. Ravikumar Chowdappa	1.40	1.98	2.48	2.93	-	0.05
2	**Short-term Loans & Advances**						
	M/s. Shankara Holdings Private Limited	-	-	-	-	-	0.02
	M/s. Shankara Cargo Movers	-	-	-	-	-	0.03
	M/s. Shankara Meta Steels India Private Limited	-	-	-	-	-	0.02
	M/s. Taurus Value Steel & Pipes Private Limited	-	-	-	-	0.18	-
3	**Long-term borrowings**						
	Fairwinds Trustee Services Private Limited (Formerly Reliance Alternative Services Private Limited)	-	-	-	-	73.70	163.78
4	**Trade Payables**						
	M/s. Shankara Cargo Movers	-	-	-	-	-	0.03
	M/s. Shankara Meta Steels India Private Limited	-	-	-	-	-	0.02
	M/s.Taurus Value Steel & Pipes Private Limited	-	-	-	-	0.10	-

Note: The information is based on the name of parties as identified and certified by the management which has been relied upon by auditors.

35 **Details of Consumption and Purchases** **(₹ in Millions)**

Details of Raw Materials/ Packing materials consumed

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Materials						
Coils	7,687.98	7,990.53	7,628.47	5,952.29	4,404.91	2,662.09
Total	**7,687.98**	**7,990.53**	**7,628.47**	**5,952.29**	**4,404.91**	**2,662.09**

Purchases of Traded goods

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Building Products	7,309.99	9,851.09	10,021.18	11,615.64	11,966.37	10,397.30
Total	**7,309.99**	**9,851.09**	**10,021.18**	**11,615.64**	**11,966.37**	**10,397.30**

36 **CIF Value of Imports**

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
CIF Value of Imports	Nil	Nil	Nil	Nil	Nil	Nil

Shankara Building Products Ltd., (Formerly Shankara Infrastructure Materials Ltd.,)
Annexure VI - Restated Consolidated Summary Statement on adjustments to Audited Financial Statements

(₹ in Millions)

A. Adjustments made to Audited Statement of Profit & Loss

Particulars	For the Nine months ended 31st December 2016	For the years ended 31st March				
		2016	2015	2014	2013	2012
Net Profit as per Audited Consolidated Financial Statements	412.30	407.27	230.60	288.00	318.28	305.88
a) Adjustments on account of change in accounting estimate						
- Depreciation & Amortisation (Refer Note 1)	-	-	-	(3.44)	(1.40)	(0.50)
b) Adjustments to Finance Cost (Refer Note 2)	5.67	0.47	(4.58)	(1.54)	(1.22)	-
c) Prior period expenses (Refer Note 3)						(3.37)
d) Provision for doubtful debts	0.70	1.70	4.26	1.17	2.59	0.35
e) Bad debts written off	-	0.16	2.73	0.18	(1.18)	(0.21)
f) Miscellaneous income	-	(0.59)	(3.65)	-	-	-
g) Restatement of Taxes						
- Tax Adjustments (Refer Note 4a)	(3.83)	7.29	(2.38)	1.67	(1.29)	(5.67)
- Deferred Tax on restatements (Refer Note 4b)	0.62	(3.01)	1.10	(1.27)	2.42	2.40
- MAT credit			(2.31)	2.31		
Net Profit as per Restated Consolidated Financial Statements after adjustments	415.46	413.29	225.77	287.08	318.20	298.88

B. Reconciliation of Opening Reserves

The surplus in the statement of profit and loss as at 1/4/2011 has been changed to reflect the impact of the items pertaining to the years prior to 1/4/2011. The details of adjustments are as below:

Particulars	As at 1st April 2011
Surplus in the statement of Profit & Loss as audited	568.65
Depreciation & Amortisation	(1.23)
Prior period expenses	3.37
Income Tax adjustments	3.51
Provision for doubtful debts	(6.55)
Bad debts written off	(1.20)
Surplus in the Statement of Profit & Loss as restated	**566.55**

Explanatory Notes

1 In the year 2014-15, the management carried out an independent estimate of the useful life of assets and accordingly the estimated useful life of assets are revised from 1st April 2014. Now the estimated useful life of assets are as per Schedule II to the Companies Act, 2013. Depreciation as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life. The impact of depreciation on previous years has been computed and adjusted.

2 Interest on account of delay/deferment of Advance Tax for the past five years has been recognized in the respective years under Finance Cost.

3 In the audited financial statement of the year ended 31st March 2012, the company has recognized prior period epenses relating to depreciation; the same has been adjusted in the Opening retained earning of the year 2011-12.

4a In the audited financial statements for the period ended 31st December 2016 and for the years ended March 2016, 2015, 2014, 2013 and 2012, the Company had considered the tax impact of income tax assessment/orders of earlier years in the year of crystalization of demand. On restatement, such amounts have been recorded in the respective years to which the income tax assessment relates.

4b Deferred tax has been computed on the applicable items at uniform tax rate i.e 30% loaded with Surcharge & Education Cess as applicable for the period ended 31st December 2016 and for the years ended March 2016, 2015, 2014, 2013 and 2012 for the purpose of restatement.

C. Material regrouping

Appropriate adjustments have been made in the restated Consolidated summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended 31st December 2016, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

D. Non - Adjusting Items to Audited Financial Statements

The Financial Statements of Shankara Building Products Ltd., & Taurus Value Steel & Pipes Pvt Ltd have been audited by us, M/s Haribhakti & Co LLP; the financial statements of Vishal Precision Steel Tubes & Strips Pvt Ltd were audited by M/s. Vijay & Raj Chartered Accountants. The financial statement of step down subsidiary, Century Wells Roofing India Pvt Ltd were audited by M/s. B.B. Naidu & Co, Chartered Accountants. The financial statement of Singapore Subsidiary were audited by M/s. MGI N Rajan Associates upto 31st December 2016

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003, 2015 & 2016 (CARO), issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act 1956 & under sec 143(10) of the Companies Act, 2013. Certain statements/comments included in audit opinion on the financial statements and CARO, which do not require an adjustment in the restated summary financial information are reproduced below in respect of the financial statements presented:

Statutory Auditors (for the period ended 31st December 2016 and for the years ended 31st March 2016, 31st March 2015, 31st March 2014, 31st March 2013 and 31st March 2012) have made the following comments in the Auditors' Report - Not requiring adjustment.

Particulars	Nine months ended 31st December 2016	Financial year ended				
		2015-16	2014-15	2013-14	2012-13	2011-12
Qualifications/Reservations in the main audit report	Nil	Nil	Nil	Nil	Nil	Nil
Qualifications/Reservations in Companies Auditor's Report Order (CARO), 2015	NA	NA	Nil	NA	NA	NA

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure VII - Restated Consolidated Summary Statement of Accounting Ratios

(₹ in Million)

Particulars	For the Nine months ended 31st December 2016	As at March 31st				
		2016	2015	2014	2013	2012
a. Basic Earnings per Share (Not annualised)						
Profit attributable to Equity shareholders, as restated	415.46	413.29	225.77	287.08	318.20	298.88
Weighted average number of equity shares (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Basic Earnings Per Share (in Rs.)	19.00	18.90	10.32	13.13	15.03	14.71
Face value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
b. Diluted Earnings per Share (Not annualised)						
Profit attributable to Equity shareholders, as restated	415.46	413.29	225.77	287.08	318.20	298.88
Add: Interest on CCDs (Net of tax)	-	-	-	0.17	0.95	1.59
Profit after adjusting interest on potential equity shares, as restated	415.46	413.29	225.77	287.25	319.15	300.47
Weighted average number of equity share (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Add :Potential convertible debentures (in million)	-	-	-	-	0.70	1.56
Total potential number of equity shares (in million)	21.87	21.87	21.87	21.87	21.87	21.87
Diluted Earnings per Share (in Rs.)	19.00	18.90	10.32	13.13	14.59	13.74
c. Return on Networth for Equity Shareholders in (%)						
i) Profit available to Equity shareholders	415.46	413.29	225.77	287.08	318.20	298.88
ii) Networth	3,321.47	2,906.04	2,532.31	2,333.21	1,998.63	1,614.71
iii) Return on Networth (i/ii)	12.51%	14.22%	8.92%	12.30%	15.92%	18.51%
d. Net Asset Value per Share						
Total no of shares outstanding (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Net Asset Value (in Rs.)	151.87	132.87	115.78	106.68	94.41	79.49

1. Ratios have been computed on the basis of the Restated Summary Financial Statements.

2. The Ratio have been computed as below:

Earnings per Share (Rs.) =	Restated Profit after tax attributable to equity shareholders for the year/period / Weighted Average Number of equity shares
Diluted Earnings per Share (Rs.) =	Restated Profit after tax attributable to equity shareholders for the year/period after adjusting the earnings for potential equity shares / Weighted Average dilutive Number of equity shares
Return on Net Worth (%) =	Restated Profit after tax attributable to equity shareholders for the year / period / Net Worth at the end of the year/ period
Net Assets Value per Share (Rs.) =	Net Worth at the end of the year /period / Total number of equity shares outstanding at the end of the year/period

3 Net worth for ratios mentioned represents sum of share capital and reserves and surplus (securities premium, capital reserve, general reserve and surplus in the statement of profit and loss).

4 For computation of Diluted Earnings per Share, effect of dilutive CCDs has been given for all the years presented based on the current estimates of conversion in those respective years/period.

The above statement should be read with the notes to restated Consolidated summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

Shankara Building Products Limited
(Formerly known as Shankara Infrastructure Materials Limited)
Annexure VIII - Restated Consolidated Summary Statement of Capitalization

(₹ in Million)

Particulars	Refer Annexure	As at December 31st 2016	As adjusted for issue
Debt			
Short term debts (A)	V(8)	2,632.86	
Long term debts including current maturities of long term debt (B)	V(4)&V(10)	164.14	Refer Note 2
Total Debt C= (A+B)		**2,797.00**	
Shareholder's funds			
Share Capital (D)	V(1)	218.71	
Reserves & Surplus (E)	V(2)	3,102.76	
Total Shareholders' funds F = (D+E)		**3,321.47**	
Long term Debt/Equity Ratio (B/F)		0.05	
Debt/ equity ratio (C/F)		0.84	

Notes

1 The above statement should be read with the notes on adjustments for the Restated Consolidated Summary Statement of the Assets and Liabilities, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary of Cash Flows as appearing in annexure I to III and significant accounting policies and other notes as appearing in -annexure IV to VI.

2 The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3 Short term debts is considered as borrowing due within 12 months from the date of borrowing

4 Long term debts is considered as borrowing other than short term borrowing, as defined above and excludes the Current maturities of finance lease obligation.

5 Long Term Debt equity ratio = $\frac{\text{Long term borrowing}}{\text{Total shareholder fund}}$

6 Debt equity ratio = $\frac{\text{Total borrowing}}{\text{Total shareholder fund}}$

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure IX - Restated Consolidated Summary Statement of Dividends Paid / Proposed

(₹ in Million)

Particulars	For the Nine months ended 31st December 2016	As at March 31st				
		2016	2015	2014	2013	2012
Dividend on Equity Shares						
Number of Equity Shares (In millions)	21.87	21.87	21.87	21.87	21.17	20.31
Face Value per share(Rs.)	10	10	10	10	10	10
Dividend paid/proposed on Equity Shares (Rs. In million)	-	32.81	21.87	21.70	20.95	20.31

Report of the Independent Auditor on the
Summary of Restated Standalone Financial Statements

To,
The Board of Directors,
Shankara Building Products Limited
G-2, "Farah Winsford", No.133, infantry Road,
Bangalore, Karnataka – 560 001,
India

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of Shankara Building Products Limited ("the Company") ("formerly Shankara Infrastructure Materials Limited") for the purpose of its inclusion in the Red Herring Prospectus("RHP") prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of:

   (A) Financial Information as per Summary of Restated Standalone Financial Statements; and

   (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

      (a) Section 26(1)(b) of the Companies Act, 2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ; and

      (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

   a) the terms of reference agreed with the Company vide engagement letter dated July 21, 2016 relating to the work to be performed on such financial information, proposed to be included in the RHP of the Company in connection with its proposed IPO; and

   b) the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India.

3. **Financial Information**

   The financial information referred to above, relating to profits, assets and liabilities and cash flows of the Company is contained in the following annexures to this report (collectively referred to as the "Summary of Restated Standalone Financial Statements"):

   a) **Annexure I** containing the Restated Standalone Summary Statement of Assets and Liabilities, as at December 31, 2016, March 31, 2016, 2015, 2014, 2013 and 2012.

   b) **Annexure II** containing the Restated Standalone Summary Statement of Profit and Loss, for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.

   c) **Annexure III** containing the Restated Standalone Summary Statement of Cash Flows, for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012.

   d) **Annexure IV** containing the Statement of Significant Accounting Policies.

   e) **Annexure V** containing the Restated Standalone Statement of Notes to Summary Financial Statements.

The aforesaid Summary of Restated Standalone Financial Statements have been extracted by the Management from the audited financial statements of the Company for those period/years.

The standalone financial statements of the Company for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 were audited by us and we had issued unmodified opinion vide our reports dated February 07, 2017, June 29, 2016, July 2, 2015, June 13, 2014, June 11, 2013 and June 05, 2012 respectively.

4. **Other Financial Information**

Other Financial Information relating to the Company which is based on the Summary of Restated Standalone Financial Statements prepared by the management and approved by the Board of Directors is attached in Annexures V to X to this report as listed hereunder:

a) Annexure V – Restated Standalone Statement of Notes to Summary Financial Statements (Other financial information in relation to items in the Summary of Restated Standalone Financial Statements have been included in Annexure V).

b) Annexure VI – Restated Standalone Summary Statement on the Adjustments to Audited Financial Statements;

c) Annexure VII - Restated Standalone Summary Statement of Accounting Ratios

d) Annexure VIII – Restated Standalone Summary Statement of Capitalization

e) Annexure IX – Restated Standalone Summary Statement of Dividends Paid / Proposed

f) Annexure X – Restated Standalone Summary Statement of Tax Shelter

5. The Restated Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 and or as referred to in Section 133 of the Companies Act, 2013 applied in the preparation of the audited financial statements of the Company. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

6. **Management Responsibility on the Summary of Restated Standalone Financial Statements and Other Financial Information**

Management is responsible for the preparation of Summary of Restated Standalone Financial Statements and Other Financial Information relating to the Company in accordance with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Summary of Restated Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

In our opinion, the financial information of the Company as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in **Annexure VI**, have been prepared in accordance

with Section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Summary of Restated Standalone Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

a) there are no qualifications in the auditors' reports that require an adjustment in the Summary of Restated Standalone Financial Statements;

b) adjustments for the material amounts, in the respective period/years to which they relate, have been made in the attached summary of Restated Standalone Financial Statements:

c) the impact arising on account of changes in accounting policies adopted by the Company as at the year end December 31, 2016, is applied with retrospective effect in the Summary of Restated Standalone Financial Statements;

d) there are no further extraordinary items other than those disclosed in the Summary of Restated Standalone Financial Statements.

Other remarks/comments in the Auditor's report including annexure to the Auditor's report of the Company for the nine months period ended December 31, 2016 and for the years ended March 31, 2016, 2015, 2014, 2013 and 2012 which do not require any corrective adjustment in the Restated Standalone Financial Information are mentioned in "Non-adjusting items" under Annexure VI.

9. The figures included in the Summary of Restated Standalone Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as a reissuance or re dating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purpose of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the RHP to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed IPO of equity shares of the Company. This report may not be useful for any other purpose.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

_____
S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities

(₹ in Millions)

	Particulars	Annexure	As at 31st December 2016	As at 31st March 2016	2015	2014	2013	2012
I.	**EQUITY AND LIABILITIES**							
1	**Shareholders' funds**							
(a)	Share Capital	V(1)	218.71	218.71	218.71	218.71	211.70	203.14
(b)	Reserves and Surplus	V(2)	2,181.09	2,043.71	1,973.47	1,957.35	1,722.50	1,394.10
2	**Non-current liabilities**							
(a)	Long-term borrowings	V(3)	54.99	0.00	18.94	57.96	115.83	191.27
(b)	Deferred tax liabilities (Net)	V(4)	27.90	26.71	17.31	17.59	56.01	32.53
(c)	Other Long term liabilities	V(5)	0.15	0.15	0.15	0.01	0.05	0.30
(d)	Long-term provisions	V(6)	1.00	1.00	1.00	1.00	1.00	1.00
3	**Current liabilities**							
(a)	Short-term borrowings	V(7)	1,681.89	1,434.00	2,044.35	2,494.25	2,350.74	1,830.24
(b)	Trade Payables	V(8)						
	- Due to Micro and Small Enterprises		-	-	-	-	-	-
	- Due to Others		1,645.85	2,024.27	1,079.05	1,038.40	1,060.98	692.17
(c)	Other current liabilities	V(9)	159.90	114.64	118.52	132.06	176.27	159.90
(d)	Short-term provisions	V(10)	74.87	49.96	33.70	39.11	29.72	55.25
	TOTAL		**6,046.35**	**5,913.15**	**5,505.20**	**5,956.44**	**5,724.80**	**4,559.90**
II.	**ASSETS**							
1	**Non-current assets**							
(a)	Fixed Assets	V(11)						
	- Tangible Assets		989.55	921.89	838.92	701.88	1,253.56	986.00
	- Capital Work-in-progress		-	-	-	-	1.10	4.80
(b)	Non-Current Investments	V(12)	380.10	380.10	380.10	370.10	132.50	80.00
(c)	Long-term loans and advances	V(13)	556.74	554.61	573.63	548.07	84.77	66.48
(d)	Other non-current assets	V(14)	40.53	22.66	25.00	11.49	3.18	6.46
2	**Current assets**							
(a)	Inventories	V(15)	1,620.40	1,641.41	1,367.26	1,365.72	1,668.00	1,139.36
(b)	Trade receivables	V(16)	2,369.08	2,356.19	2,235.15	2,195.51	2,441.80	2,074.18
(c)	Cash and Bank balances	V(17)	11.72	11.75	19.82	10.42	18.25	19.93
(d)	Short-term loans and advances	V(18)	77.84	24.13	64.95	752.79	46.25	150.38
(e)	Other Current Assets	V(19)	0.39	0.41	0.37	0.46	75.39	32.31
	TOTAL		**6,046.35**	**5,913.15**	**5,505.20**	**5,956.44**	**5,724.80**	**4,559.90**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure II - Restated Standalone Summary Statement of Profit and Loss

(₹ in Millions)

	Particulars	Annexure	Nine months ended 31st December 2016	For the years ended 31st March				
				2016	2015	2014	2013	2012
I.	**Income**							
	Revenue from Operations (Gross)	V(21)	14,573.14	17,742.50	17,196.56	19,016.66	17,323.39	14,000.51
	Less: Excise duty		-	-	1.59	181.61	301.24	148.03
	Revenue from Operations (Net)		14,573.14	17,742.50	17,194.97	18,835.05	17,022.15	13,852.48
	Other income	V(22)	3.65	7.57	9.73	5.16	2.74	2.84
	Total Revenue		**14,576.79**	**17,750.07**	**17,204.70**	**18,840.21**	**17,024.89**	**13,855.32**
II.	**Expenses:**							
	Cost of materials consumed	V(23)	-	0.14	6.13	2,016.00	2,647.74	1,250.97
	Purchases of Stock-in-Trade		13,616.71	16,958.58	16,215.49	15,326.73	13,310.76	11,709.08
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	V(24)	21.01	(274.29)	(1.45)	88.76	(461.83)	(262.82)
	Employee benefits expense	V(25)	189.88	226.05	199.68	186.19	174.38	114.96
	Other expenses	V(27)	279.00	329.13	298.35	565.72	589.72	395.72
	Total Expenses		**14,106.60**	**17,239.61**	**16,718.20**	**18,183.40**	**16,260.77**	**13,207.91**
III.	**Restated earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)**		**470.19**	**510.46**	**486.50**	**656.81**	**764.12**	**647.41**
IV.	Depreciation and amortization expense	V(11)	30.92	32.56	35.82	36.55	40.00	22.72
V.	Finance costs	V(26)	223.60	293.35	386.25	386.85	319.40	210.42
VI.	**Restated Profit before extra ordinary items tax (III-IV-V)**		**215.67**	**184.55**	**64.43**	**233.41**	**404.72**	**414.27**
VII.	**Profit from Continuing Operations before tax**		**215.67**	**184.55**	**64.43**	**101.41**	**260.08**	**348.21**
	Less : Tax expense							
	Current tax		77.10	65.38	22.23	34.12	70.68	99.35
	Deferred tax		1.19	9.40	(0.27)	9.56	23.48	18.32
VIII.	**Profit from Continuing Operations after tax**		**137.38**	**109.77**	**42.47**	**57.73**	**165.92**	**230.54**
IX.	**Profit from Discontinued Operations before tax**	V(29)	**-**	**-**	**-**	**132.00**	**144.64**	**66.06**
	Less : Tax expense							
	Current tax		-	-	-	44.03	39.32	18.85
	Deferred tax - Discontinuing operations		-	-	-	(47.98)	-	-
X.	**Profits of discontinued operations after tax**	V(29)	-	-	-	135.95	105.32	47.21
XI.	**Net Profit before Exceptional & Extra Ordinary Item**		**137.38**	**109.77**	**42.47**	**193.68**	**271.24**	**277.75**
XII.	**Exceptional items (Net of Tax) [Ref Note 34]**		-	-	-	(0.30)	-	-
XIII.	**Restated Profit after tax (XI-XII)**		**137.38**	**109.77**	**42.47**	**193.38**	**271.24**	**277.75**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure III - Restated standalone Summary Statement of Cash Flows

(₹ in Millions)

Particulars	Nine months ended 31st December 2016	For the years ended 31st March				
		2016	2015	2014	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before taxation	215.67	184.55	64.43	232.95	404.72	414.27
Add Back:						
Depreciation on Fixed Assets	30.92	32.56	35.82	36.55	40.00	22.72
Provision for doubful debts	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Bad debts written off	-	0.25	(0.62)	0.36	1.45	0.25
Loss on sale of Assets	0.18	-	3.73	0.45	0.17	0.34
Interest Paid	220.70	288.32	386.25	386.35	317.59	207.84
	467.48	**508.07**	**492.24**	**656.28**	**762.38**	**648.05**
Deduct:						
Profit on sale of asset	-	(0.18)	(0.59)	(0.02)	(0.29)	(0.05)
Interest Received	-	(1.14)	(0.09)	(2.15)	(0.47)	(0.55)
CASH FLOW GENERATED BEFORE WORKING CAPITAL CHANGES	**467.48**	**506.75**	**491.56**	**654.11**	**761.62**	**647.45**
(Increase)/ Decrease in Inventory	21.01	(274.15)	(1.54)	(219.54)	(528.64)	(381.64)
(Increase) / Decrease in Trade Receivables	(30.77)	(121.34)	(55.16)	238.00	(364.24)	(499.51)
(Increase) / Decrease in Other assets	(55.82)	52.21	662.07	(225.25)	119.52	(97.43)
Increase/ (Decrease) in Trade payable	(378.42)	945.22	40.65	52.60	293.63	(36.43)
Increase/ (Decrease) in Other liabilities	24.39	52.72	(10.89)	33.21	40.82	28.02
CASH GENERATED/ (USED) IN OPERATIONS	**47.87**	**1,161.41**	**1,126.69**	**533.13**	**322.71**	**(339.54)**
Income tax Paid	(49.60)	(60.34)	(31.75)	(80.22)	(121.03)	(112.27)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	**(1.73)**	**1,101.07**	**1,094.94**	**452.91**	**201.68**	**(451.81)**
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	-	-	(10.00)	(87.60)	(52.50)	-
Purchase of Fixed Assets	(102.68)	(115.80)	(191.91)	(164.60)	(308.23)	(499.34)
Capital Work-in-progress	-	-	-	1.10	3.70	(4.80)
Sale Proceeds from Fixed Assets	3.92	0.45	15.90	0.11	0.79	0.88
Interest Received	-	1.46	0.09	1.85	0.47	0.56
NET CASH FLOW GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	**(98.76)**	**(113.89)**	**(185.92)**	**(249.14)**	**(355.77)**	**(502.70)**
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from / (Repayment of) Long Term Loans	74.44	(39.41)	(45.97)	26.84	4.80	(63.54)
Proceeds from / (Repayment of) Working Capital Loan	247.89	(610.35)	(270.44)	143.57	519.67	1,227.33
Proceeds from / (Repayment of) Public Deposits	-	-	-	(3.81)	(11.34)	(1.70)
Proceeds from / (Repayment of) Unsecured Loan	-	-	(179.46)	(0.06)	(0.83)	0.02
Interest Paid	(215.15)	(286.33)	(378.53)	(374.74)	(315.32)	(205.20)
Dividend Paid (Including Dividend Distribution Tax)	(6.72)	(59.16)	(25.22)	(3.40)	(44.56)	(17.04)
NET CASH FLOW GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	**100.46**	**(995.25)**	**(899.62)**	**(211.60)**	**152.42**	**939.87**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A)+(B)+(C)	(0.03)	(8.07)	9.40	(7.83)	(1.67)	(14.64)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	11.74	19.81	10.41	18.24	19.91	34.55
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note : 31)	**11.71**	**11.74**	**19.81**	**10.41**	**18.24**	**19.91**

Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI

In terms of our report of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN 103523W/ W100048

S. Sundararaman
Partner
Membership No. 028423

Place: Bangalore
Date: February 07, 2017

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

C.Ravikumar
Director
DIN: 01247347

Ereena Vikram
Company Secretary

Alex Varghese
Chief Financial Officer

Place: Bangalore
Date: February 07, 2017

1 GENERAL INFORMATION

Shankara Building Products Limited is one of the India's leading organized retailer of home improvement and building products in India. It caters to a large customer base spread across various end-user segments in urban and semi-urban markets through a retail led, multi-channel sales approach complemented by processing facilities, supply chain and logistics facilities. It deals with a number of product categories including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. The Company has operations spread across ten states in India.

The registered office of the Company is situated in the state of Karnataka, India. The Company changed its name to Shankara Building Products Limited effective from July 27, 2016

2 SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The 'Restated Standalone Summary Statement of the Assets and Liabilities' of the Company as at 31st December 2016, 31st March 2016, 31 March 2015, 31 March 2014, 31 March 2013, and 31 March 2012 and the 'Restated Standalone Summary Statement of Profit and Loss' and the 'Restated Standalone Summary Statement of Cash Flows' for the nine months period ended 31st December 2016 and for the years ended 31 March 2016, 31 March 2015, 31 March 2014, 31 March 2013, and 31 March 2012 (collectively referred to as the "Restated summary financial statements"), along with Annexures IV to X (both collectively referred to as the "Restated Standalone Summary Statement of 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 Standalone Summary Statement of Financial Information has been prepared by applying necessary adjustments to the standalone financial statements ('Financial statements') of the Company. The financial statements are prepared and presented under the historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and the requirements of the Companies Act, 1956 (up to 31 March 2014), and notified sections, schedules and rules of the Companies Act, 2013 (with effect from 01 April 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014), other pronouncements of the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Companies Act, 2013 to the extent applicable

These Restated Standalone Summary Financial Information have been prepared to comply in all material respects with the requirements of Section 26 of the Companies Act, 2013, and the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

With effect from 1 April 2014, Schedule III (Revised Schedule VI as per the Companies Act, 1956 up to 31st March 2014) notified under the Act, has become applicable to the Company for the preparation and presentation of its financial statements. Accordingly, previous years' figures have been regrouped/reclassified wherever applicable. Appropriate reclassifications/regrouping have been made in the Restated Standalone Summary Financial Information wherever required, to corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company and the requirement of SEBI Regulations

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company ascertain its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The Restated Standalone Summary Financial Information are presented in Indian rupees, rounded off to nearest million, with two decimals except percentages, earnings per share data and where mentioned otherwise.

B MEASUREMENT OF EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ('EBITDA')

The Company has elected to present EBITDA as a separate line item on the face of the Restated Standalone Summary Statement of Profit and Loss. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

C USE OF ESTIMATES

The preparation of restated financial statements in conformity with Generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Examples of such estimates include provision for doubtful debts, employees retirement benefit plan, provision for income and other taxes, useful life of fixed assets etc. Actual results could differ from the estimates made. Any revision to accounting estimates is recognized prospectively in current and future periods.

D TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of tangible assets as specified in Part C of Schedule II to the Companies Act 2013 has been adopted. If the management's estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided based on the management's estimate of the useful life/remaining useful life. In such cases, the difference is appropriately disclosed. Depreciation in respect of additions to Fixed Assets has been charged on pro rata basis for the period.

Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on fixed assets is provided on Straight Line Method and Individual assets costing less than Rs.5000/- each are depreciated fully during the year of purchase.

E IMPAIRMENT OF ASSET

The carrying amounts of assets are reviewed to see if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital after impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

F LEASES

Where the company is lessor

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

Where the company is lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

G REVENUE RECOGNITION

a) Sales revenues are accounted on delivery of goods. Delivery is reckoned on the handing over of the goods to the transporter, who as custom of trade acts as agent of customer.

b) Other Income is recognized on accrual with due consideration for significant uncertainty if any in the realization of such income.

H INVENTORIES

a) Closing Stock of Inventories are valued at lower of cost, determined on FIFO basis, and net realizable value. Cost comprises Purchase price, inward freight, applicable taxes not eligible for credit & other attributable costs less rebates & discounts. 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.
b) All items of Stock which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

I INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on individual investment basis. Long term investments are carried at cost, less provision for diminution (other than temporary) in value.

J EMPLOYEE BENEFITS

a) The liability for gratuity, considered as defined benefit is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. Actuarial gains and losses which comprise experience adjustments and effect of change in actuarial assumptions are recognized in the statement of profit and loss.

b) In respect of defined contribution plan the company makes the stipulated contributions in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

c) Liabilities in respect of compensated absences are provided for in the year in which such benefit accrues net of encashment made.

K INCOME TAX

a) Taxes on Income for the current year is determined on the basis of taxable income and after considering the various deduction available under the Income Tax, 1961

b) Deferred Tax Asset/Liability resulting from timing differences between the book profits and Income for tax purpose is accounted for at the appropriate tax rate. Deferred tax asset are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying amount at each balance sheet date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

L THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE

Foreign currency transactions are recorded at the rate prevalent on the date of transactions. Monetary Assets and liabilities denominated in foreign currency are stated at closing rates at the period end and the resultant differences are recognized in the statement of Profit and Loss.

M PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

N EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares, if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O BORROWING COSTS

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of profit and loss.

P GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attached conditions will be complied with. Grants related to specific fixed assets are presented in the Balance Sheet by showing such grant as deduction from the fixed asset concerned. Grants received with reference to total investment in an undertaking are credited to capital reserve.

Q SEGMENT REPORTING

i. The company identifies business segment as the primary segment as per AS-17. Under the primary segment, there are two reportable segments viz., (1) Retail and (2) Channel & Enterprise. These are identified considering the nature of the products, the differing risks and returns and their contribution to company's sales and revenue profits. The valuation of inter segment transfers are based on the comparable market prices of the Transferring segment.
ii. The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.
iii. Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses.
iv. The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
v. The company presents segment information only in the consolidated financial statements.

R CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated

1 SHARE CAPITAL

(₹ in Millions)

Particulars	As at 31st Dec 2016		As at 31st March 2016		As at 31st March 2015		As at 31st March 2014		As at 31st March 2013		As at 31st March 2012	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised												
Equity shares of Rs.10/- each	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00	25.00	250.00
Issued, Subscribed & Paid up												
Equity shares of Rs.10/- each, fully paid	21.87	218.71	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14
Total	**21.87**	**218.71**	**21.87**	**218.71**	**21.87**	**218.71**	**21.87**	**218.71**	**21.17**	**211.70**	**20.31**	**203.14**

1a. Reconciliation of number of shares (Equity shares)

Particulars	As at 31st Dec 2016		As at 31st March									
			2016		2015		2014		2013		2012	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14	20.31	203.14
Add : Shares Issued	-	-	-	-	-	-	0.70	7.01	0.86	8.57	-	-
Shares outstanding at the end	21.87	218.71	21.87	218.71	21.87	218.71	21.87	218.71	21.17	211.70	20.31	203.14

1b. Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity

The company has one class of equity shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. Equity shares held by Fairwinds Trustee Services Private Limited (formerly known as Reliance Alternative Investments Services Private Limited) carry the rights of 'Liquidation preference' whereby the said shares are eligible for preferantial claims over residual funds available for distribution to equity share holders in the event of liquidation subject to the provisions of law and 'Fall Away Event' as defined in the shareholders' agreement dated 24th February 2011. Pursuant to the waiver and termination agreement dated September 22, 2016 executed among the Company, Promoter ('Sukumar Srinivas') and the Investor ('Reliance Alternative Investments Fund – Private Equity Scheme I through its trustee Fairwinds Trustees Services Private Limited'), liquidation preference will cease to have effect upon listing of Equity shares of the company and the rights under fall away event remains suspended till 31st May 2017.

1c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31st Dec 2016		As at 31st March									
			2 016		2 015		2 014		2 013		2 012	
	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding	Shares held	% of Holding
Sukumar Srinivas	13.34	60.98%	13.44	61.43%	13.44	61.43%	13.43	61.41%	13.41	63.35%	13.39	65.93%
Fairwinds Trustee Services Private Limited	7.61	34.78%	7.61	34.78%	7.61	34.78%	7.61	34.78%	6.91	32.62%	6.05	29.78%

1d. Aggregate number & class of shares:	31-Dec-16	2016	2015	2014	2013	2012
-Allotted by the company as fully paid up pursuance to contracts without receipt of cash	-	-	-	-	-	-
-Allotted by the company as fully paid up by way of bonus shares	-	-	-	-	-	-
-Bought back by the company	-	-	-	-	-	-

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

(₹ in Millions)

2 RESERVES & SURPLUS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Capital Reserves						
As per last balance sheet	**1.86**	**1.86**	**1.86**	**1.86**	**1.86**	**1.86**
Securities Premium Account						
Opening Balance	703.73	703.73	703.73	637.04	555.53	555.53
Securities premium credited on Share issue	-	-	-	66.69	81.51	-
Closing Balance	**703.73**	**703.73**	**703.73**	**703.73**	**637.04**	**555.53**
General Reserve						
As per last balance sheet	**12.36**	**12.36**	**12.36**	**12.36**	**12.36**	**12.36**
Surplus in the Statement of Profit or Loss						
Opening balance	1,325.76	1,255.52	1,239.40	1,071.24	824.35	570.21
Net Profit for the period/year	137.38	109.77	42.47	193.38	271.24	277.75
Proposed Dividends	-	-	(21.87)	(21.70)	-	(20.31)
Interim Dividend	-	(32.81)	-	-	(20.95)	-
Dividend Distribution tax	-	(6.72)	(4.48)	(3.52)	(3.40)	(3.30)
	1,463.14	**1,325.76**	**1,255.52**	**1,239.40**	**1,071.24**	**824.35**
Total	**2,181.09**	**2,043.71**	**1,973.47**	**1,957.35**	**1,722.50**	**1,394.10**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

(₹ in Millions)

3 LONG TERM BORROWINGS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Secured						
Term loans From Banks (Also Refer Note no.9) a) The balance amount outstanding Rs.8,33,33,333 repayable in 30 monthly installments along with interest of 10.50% p.a b) The balance amount outstanding Rs.81,57,207 repayable in 29 monthly installments along with interest of 9.65% p.a c) The balance amount outstanding Rs.18,94,460 repayable in 1 monthly installment along with interest of 12.50% p.a d) First pari passu charge on the fixed assets of the company and corporate guarantee of the holding company	54.99	-	18.94	56.68	37.22	22.77
Finance Lease Obligation: - Hire Purchase Credits [Secured by hypothecation of Vehicles under Hire purchase scheme.]	-	-	-	1.28	4.91	0.91
Unsecured						
Debentures [15,57,380 debentures were allotted on 8th March 2011 carrying Coupon Rate of 1.44% p.a is payable yearly on or before 31st March of every year. Out of these debentures, 8,56,559 debentures (55%) were converted to equity shares on 4th July 2012 and the remaining 7,00,821 debentures (45%) were converted into equity shares on 28th June 2013]	-	-	-	-	73.70	163.78
Public deposits* [The deposits were repayable within a period of 36 months from the date of receipt. They carried an interest rate of 12% p.a. which were fully repaid during 2013-14]	-	-	-	-	-	3.81
Total	**54.99**	**-**	**18.94**	**57.96**	**115.83**	**191.27**

* The Company has complied with the provisions of Companies (Acceptance of Deposit) Rules, 1975

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

4 DEFERRED TAX LIABILITIES (NET)

The break up of deferred tax assets and deferred tax liabilities are as given below:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Deferred Tax Liability:						
On account of depreciation	31.60	28.95	23.58	21.85	61.35	37.19
Deferred Tax Asset:						
On account of disallowance under Section 43B	(3.70)	(2.24)	(6.27)	(4.26)	(5.34)	(4.66)
Net Deferred Tax Liability	**27.90**	**26.71**	**17.31**	**17.59**	**56.01**	**32.53**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

5 OTHER LONG TERM LIABILITIES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Advance Rent Received	0.15	0.15	0.15	0.01	0.05	0.30
Total	**0.15**	**0.15**	**0.15**	**0.01**	**0.05**	**0.30**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

6 LONG TERM PROVISIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Provision for employee benefits						
Provision for Gratuity (Employee not covered by the Gratuity fund)	1.00	1.00	1.00	1.00	1.00	1.00
Total	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

7 SHORT TERM BORROWINGS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
a) Secured						
Working Capital Loan repayable on demand from Banks [First pari passu floating charge on the existing and future current assets belonging to the company and guaranteed by Managing director]	1,681.89	1,434.00	2,044.35	2,314.79	2,171.22	1,651.55
b) Unsecured						
Short term loans & advances received from Banks [Guaranteed by Managing director]	-	-	-	179.46	179.52	178.69
Total	**1,681.89**	**1,434.00**	**2,044.35**	**2,494.25**	**2,350.74**	**1,830.24**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

8 TRADE PAYABLES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Due to Micro and Small Enterprises*	-	-	-	-	-	-
Due to Others #	1,645.85	2,024.27	1,079.05	1,038.40	1,060.98	692.17
Total**	**1,645.85**	**2,024.27**	**1,079.05**	**1,038.40**	**1,060.98**	**692.17**

*The Company has sought confirmation from parties of their status under the Micro, Small & Medium enterprise development Act, 2006 (MSMED). Based on the details available and confirmations received from the parties classification under the said Act has been made and disclosure have been made accordingly.

**Balances in parties' accounts are subject to reconciliation/confirmation and adjustment consequent to such reconciliation if any. In the opinion of the management any such adjustment would be not material.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Includes payable to group companies as follows

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Payable to group companies	652.05	307.36	40.96	-	26.67	-

9 OTHER CURRENT LIABILITIES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Current maturities of Secured Bank Loans [Also Refer Note No. 3]	38.39	18.94	37.73	42.73	31.57	46.92
Current maturities of finance lease obligations [Also Refer Note No. 3]	-	-	1.68	3.63	3.78	2.08
Current maturities of Public Deposits [Also Refer Note No. 3]	-	-	-	-	3.81	11.34
Interest accrued but not due on borrowings	5.98	0.43	1.56	6.16	5.45	3.36
Employee Benefits payable	24.41	28.21	14.92	12.89	14.69	8.73
Statutory dues	23.52	27.25	30.48	29.31	75.23	45.76
Advances received from customers	45.93	28.17	22.08	25.15	21.02	17.57
Other expenses payable	21.66	11.64	10.06	12.19	20.72	24.14
Unpaid Dividend	0.01	-	0.01	-	-	-
Total	**159.90**	**114.64**	**118.52**	**132.06**	**176.27**	**159.90**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

10 SHORT TERM PROVISIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Provision for employee benefits (Refer note 25a)						
Provision for Gratuity (Net)	2.62	-	4.48	1.32	3.60	0.22
Provision for compensated absences	2.19	0.68	0.64	0.52	0.45	0.31
Other Provisions						
Proposed dividend	-	-	21.87	21.70	-	20.31
Dividend distribution tax	-	6.72	4.48	3.52	3.40	3.30
Provision for Income Tax (Net)	70.06	42.56	2.23	12.05	22.27	31.11
Total	**74.87**	**49.96**	**33.70**	**39.11**	**29.72**	**55.25**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

(₹ in Millions)

11 FIXED ASSETS

11a TANGIBLE ASSETS AS AT 31st DECEMBER 2016

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2016	Additions	Disposals	Balance as at 31 Dec 2016	Up to 31 March 2016	Depreciation for the period	On disposals	Balance as at 31 Dec 2016	Balance as at 31 Dec 2016
Freehold Land	462.19	4.68	-	466.87	-	-	-	-	466.87
Buildings - others	317.76	43.67	-	361.43	16.95	5.44	-	22.39	339.04
Plant and Equipment	26.07	5.67	2.28	29.46	4.35	1.35	0.58	5.12	24.34
Furniture and Fixtures	130.30	17.17	-	147.47	46.19	9.51	-	55.70	91.77
Vehicles - others	86.24	26.30	14.55	97.99	49.48	8.31	12.15	45.64	52.35
Office equipment	32.82	3.06	-	35.88	21.53	4.30	-	25.83	10.05
Computers	24.20	2.13	-	26.33	19.19	2.01	-	21.20	5.13
Total	**1,079.58**	**102.68**	**16.83**	**1,165.43**	**157.69**	**30.92**	**12.73**	**175.88**	**989.55**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

(₹ in Millions)

11 FIXED ASSETS

11b TANGIBLE ASSETS 2015-16

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2015	Additions	Disposals	Balance as at 31 March 2016	Up to 31 March 2015	Depreciation for the year	On disposals	Balance as at 31 March 2016	Balance as at 31 March 2016
Freehold Land	428.74	33.45	-	462.19	-	-	-	-	462.19
Buildings - others	263.35	54.41	-	317.76	12.36	4.59	-	16.95	300.81
Plant and Equipment	22.24	3.83	-	26.07	2.82	1.53	-	4.35	21.72
Furniture and Fixtures	113.55	16.75	-	130.30	32.95	13.24	-	46.19	84.11
Vehicles - others	85.78	2.17	1.71	86.24	44.17	6.75	1.44	49.48	36.76
Office equipment	29.65	3.17	-	32.82	17.62	3.91	-	21.53	11.29
Computers	22.18	2.02	-	24.20	16.65	2.54	-	19.19	5.01
Total	**965.49**	**115.80**	**1.71**	**1,079.58**	**126.57**	**32.56**	**1.44**	**157.69**	**921.89**

11c TANGIBLE ASSETS 2014-15

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2014	Additions	Disposals	Balance as at 31 March 2015	Up to 31 March 2014	Depreciation for the year	On disposals	Balance as at 31 March 2015	Balance as at 31 March 2015
Freehold Land	371.90	75.55	18.71	428.74	-	-	-	-	428.74
Buildings - others	195.79	67.56	-	263.35	9.01	3.35	-	12.36	250.99
Plant and Equipment	19.85	2.39	-	22.24	1.47	1.35	-	2.82	19.42
Furniture and Fixtures	84.59	28.96	-	113.55	20.90	12.05	-	32.95	80.60
Vehicles - others	78.78	10.15	3.15	85.78	36.85	10.13	2.81	44.17	41.61
Office equipment	25.39	4.26	-	29.65	12.97	4.65	-	17.62	12.03
Computers	19.14	3.04	-	22.18	12.36	4.29	-	16.65	5.53
Total	**795.44**	**191.91**	**21.86**	**965.49**	**93.56**	**35.82**	**2.81**	**126.57**	**838.92**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

11d TANGIBLE ASSETS 2013-14

(₹ in Millions)

Particulars	Gross Block					Accumulated Depreciation					Net Block
	Balance as at 1 April 2013	Additions	Disposals	Transfer	Balance as at 31 March 2014	Up to 31 March 2013	Depreciation for the year *	Transfer of Depreciation	On disposals	Balance as at 31 March 2014	Balance as at 31 March 2014
Freehold Land	398.42	10.95	-	37.47	371.90	-	-	-	-	-	371.90
Buildings - others	447.55	101.29	-	353.05	195.79	21.71	8.26	20.96	-	9.01	186.78
Plant and Equipment	329.36	22.00	-	331.51	19.85	21.35	8.60	28.48	-	1.47	18.38
Furniture and Fixtures	70.26	19.93	-	5.60	84.59	16.25	5.21	0.56	-	20.90	63.69
Vehicles - others	77.09	2.18	0.49	-	78.78	29.51	7.74	-	0.40	36.85	41.93
Office equipment	21.51	5.89	-	2.01	25.39	9.58	3.89	0.50	-	12.97	12.42
Computers	17.52	2.36	-	0.74	19.14	9.75	2.85	0.24	-	12.36	6.78
Total	**1,361.71**	**164.60**	**0.49**	**730.38**	**795.44**	**108.15**	**36.55**	**50.74**	**0.40**	**93.56**	**701.88**

* Includes the depreciation of discontinued operation of Rs.1,61,25,685

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure V- Statement of Notes to Standalone Summary Financial Statements as restated Contd.,

(₹ in Millions)

11e TANGIBLE ASSETS 2012-13

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Up to 31 March 2012	Depreciation for the year *	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2013
Freehold Land	397.64	0.78	-	398.42	-	-	-	-	398.42
Buildings - others	299.11	148.44	-	447.55	10.92	10.79	-	21.71	425.84
Plant and Equipment	206.39	122.97	-	329.36	7.89	13.46	-	21.35	308.01
Furniture and Fixtures	55.52	15.05	0.31	70.26	12.42	3.93	0.10	16.25	54.01
Vehicles - others	64.85	14.06	1.82	77.09	23.57	7.30	1.36	29.51	47.58
Office equipment	18.82	2.69	-	21.51	6.99	2.59	-	9.58	11.93
Computers	13.28	4.24	-	17.52	7.82	1.93	-	9.75	7.77
Total	**1,055.61**	**308.23**	**2.13**	**1,361.71**	**69.61**	**40.00**	**1.46**	**108.15**	**1,253.56**

* Includes the depreciation of discontinued operation of Rs.2,29,50,029

11f TANGIBLE ASSETS 2011-12

Particulars	Gross Block				Accumulated Depreciation				Net Block
	Balance as at 1 April 2011	Additions	Disposals	Balance as at 31 March 2012	Up to 31 March 2011	Depreciation for the year *	On disposals	Balance as at 31 March 2012	Balance as at 31 March 2012
Freehold Land	217.69	180.95	1.00	397.64	-	-	-	-	397.64
Buildings - others	150.37	148.74	-	299.11	5.14	5.78	-	10.92	288.19
Plant and Equipment	67.09	139.30	-	206.39	2.25	5.64	-	7.89	198.50
Furniture and Fixtures	41.69	13.85	0.02	55.52	9.43	3.00	0.01	12.42	43.10
Vehicles - others	55.72	10.62	1.49	64.85	18.90	6.00	1.33	23.57	41.28
Office equipment	15.42	3.40	-	18.82	5.32	1.67	-	6.99	11.83
Computers	10.80	2.48	-	13.28	7.19	0.63	-	7.82	5.46
Total	**558.78**	**499.34**	**2.51**	**1,055.61**	**48.23**	**22.72**	**1.34**	**69.61**	**986.00**

* Includes the depreciation of discontinued operation of Rs.1,05,49,275

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

12 NON - CURRENT INVESTMENTS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Trade Investments						
Unquoted (valued at cost)						
Investment in Equity instruments						
Vishal Precision Steel Tubes and Strips Private Limited	132.50	132.50	132.50	132.50	132.50	80.00
Taurus Value Steel & Pipes Private Limited	150.10	150.10	150.10	150.10	-	-
Steel Network (Holdings) Pte ltd (Formerly Steel Networks Pte Limited)	97.50	97.50	97.50	87.50	-	-
Total	**380.10**	**380.10**	**380.10**	**370.10**	**132.50**	**80.00**

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Aggregate amount of unquoted investments	380.10	380.10	380.10	370.10	132.50	80.00

12a **Details of Investments in Equity shares**

Name of the Body Corporate	Relationship	% of holding	No of shares (in millions)					
			31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Vishal Precision Steel Tubes and Strips Private Limited	Subsidiary	99.89%	0.35	0.35	0.35	0.35	0.35	0.24
Taurus Value Steel & Pipes Pvt Ltd	Subsidiary	100%	1.51	1.51	1.51	1.51	-	-
Steel Network (Holdings) Pte Ltd	Subsidiary	100%	2.00	2.00	2.00	2.00	-	-
Total			**3.86**	**3.86**	**3.86**	**3.86**	**0.35**	**0.24**

Note: All the shares are unquoted; All the shares are fully paid up

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

13 LONG TERM LOANS AND ADVANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured, considered good						
Loan receivable from Subsidiary (Refer : Note 28b)	500.00	500.00	500.00	500.00	-	-
Capital advances	3.86	6.38	21.01	6.98	32.59	15.43
Security Deposits	49.73	46.15	44.35	33.29	33.88	33.36
Advance Income Tax (Net)	-	-	7.27	7.57	16.07	15.69
Dealers Deposit	2.29	1.22	0.04	0.23	2.23	2.00
Gratuity Advance to Staff	0.86	0.86	0.96	-	-	-
Total	**556.74**	**554.61**	**573.63**	**548.07**	**84.77**	**66.48**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

14 OTHER NON CURRENT ASSETS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Long-term trade receivables						
Unsecured considered good	40.53	22.66	25.00	11.49	3.18	6.46
Doubtful	4.79	4.79	12.63	10.00	10.38	11.93
	45.32	27.45	37.63	21.49	13.56	18.39
Less: Provision for doubtful debts	(4.79)	(4.79)	(12.63)	(10.00)	(10.38)	(11.93)
Total	**40.53**	**22.66**	**25.00**	**11.49**	**3.18**	**6.46**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

15 INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Raw Materials	-	-	0.14	0.23	194.22	142.47
Finished goods	-	-	0.46	0.33	188.09	47.11
Stock-in-trade *	1,618.04	1,639.05	1,364.30	1,362.98	1,263.98	943.13
Stores and spares	2.36	2.36	2.36	2.18	21.71	6.65
Total	**1,620.40**	**1,641.41**	**1,367.26**	**1,365.72**	**1,668.00**	**1,139.36**

* Includes Stock in transit :

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Stock in transit	30.36	48.22	46.54	15.56	41.00	28.99

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

16 TRADE RECEIVABLES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Trade receivables outstanding for a period exceeding six months from the date they are due for payment						
Unsecured,considered good	33.70	28.55	36.50	27.67	29.11	11.77
Trade receivables outstanding for a period less than six months from the date they are due for payment						
Unsecured,considered good	2,335.38	2,327.64	2,198.65	2,167.84	2,412.69	2,062.41
Total	**2,369.08**	**2,356.19**	**2,235.15**	**2,195.51**	**2,441.80**	**2,074.18**

Balances in parties' accounts are subject to reconciliation on confirmation and any adjustment consequent to such reconciliation. In the opinion of the management any such adjustment would be not material.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

17 CASH & BANK BALANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Cash and Cash equivalents						
Cash on hand	9.69	10.21	14.86	8.96	10.07	12.29
Bank Balances In Current Account	2.02	1.53	4.95	1.45	8.17	7.62
Cash & Cash Equivalents total	11.71	11.74	19.81	10.41	18.24	19.91
Other bank balances						
Margin Money	0.01	0.01	0.01	0.01	0.01	0.02
Total	**11.72**	**11.75**	**19.82**	**10.42**	**18.25**	**19.93**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

18 SHORT TERM LOANS & ADVANCES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured considered good, unless otherwise stated:						
Loans and advances to Related Parties						
(Refer : Note 28b)	-	-	16.72	674.47	0.18	81.24
Other Loans and Advances						
Advances for purchases	31.07	9.14	30.74	62.70	24.72	47.65
Staff Advance	5.07	8.11	8.20	8.16	4.31	7.91
Prepaid Expenses	1.20	1.79	5.36	4.17	2.80	2.58
Balance with Government authorities	4.58	5.09	3.93	3.29	14.24	11.00
Others *	35.92	-	-	-	-	-
Total	**77.84**	**24.13**	**64.95**	**752.79**	**46.25**	**150.38**

* Represents IPO expenses pending adjustment

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

19 OTHER CURRENT ASSETS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Unsecured, considered good:						
Interest accrued on others	-	-	0.32	0.32	0.02	0.02
Trade Discount receivable	0.01	0.01	-	-	75.18	31.91
Rent receivable	0.38	0.40	0.05	0.14	0.01	0.38
Others advances	-	-	-	-	0.18	-
Total	**0.39**	**0.41**	**0.37**	**0.46**	**75.39**	**32.31**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

20 CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
(i) Contingent Liabilities						
Corporate Guarantee given for Subsidiary Company	1,997.50	1,547.40	1,330.00	250.00	250.00	150.00
Bank Guarantee	3.00	3.00	-	-	-	-
Disputed Income tax demand	3.62	6.34	6.34	6.34	6.46	12.18
	2,004.12	**1,556.74**	**1,336.34**	**256.34**	**256.46**	**162.18**
(ii) Commitments						
Estimated value of capital commitments towards buildings (Net of advance)	-	1.54	3.04	-	4.20	9.25
Estimated value of capital commitments towards purchase of property (Net of advance)	-	-	17.24	-	-	-
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	-	-	-	-	18.63	31.02
Estimated value of capital commitments towards purchase of investments.	-	-	24.50	17.50	-	36.06
	-	**1.54**	**44.78**	**17.50**	**22.83**	**76.33**
Total	**2,004.12**	**1,558.28**	**1,381.12**	**273.84**	**279.29**	**238.51**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

21 REVENUE FROM OPERATIONS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Building Products	14,573.14	17,742.50	17,194.97	18,835.05	17,022.15	13,852.48
Total	**14,573.14**	**17,742.50**	**17,194.97**	**18,835.05**	**17,022.15**	**13,852.48**

Purchases, sales & Closing stock includes the value of goods received/sold/held on consignment. Details of Consignment transactions which are reckoned in the accounts under natural heads are as under:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Consignment Stock						
Opening stock	-	4.53	-	2.00	3.39	3.89
Purchase	484.66	801.70	1,193.55	2,155.79	2,334.12	1,704.35
Sales (including commission)	484.66	806.23	1,189.02	2,157.79	2,338.40	1,721.91
Closing stock	-	-	4.53	-	2.00	3.39

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

22 OTHER INCOME

Particulars	Nature	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Interest Income	Non recurring	-	1.14	0.09	2.15	0.47	0.55
Rent received *	Recurring	3.39	3.80	2.64	0.95	0.45	1.11
Profit on sale of asset (Net)	Non recurring	-	0.18	0.59	0.02	0.29	0.05
Miscellaneous income	Non recurring	0.26	2.45	6.41	2.04	1.53	1.13
Total		**3.65**	**7.57**	**9.73**	**5.16**	**2.74**	**2.84**

*** Where the Company is the lessor**

The Company has given building on operating leases. These lease arrangements are for a period of 11 months and includes only cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

23 COST OF RAW MATERIALS CONSUMED

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Opening stock of raw materials	-	0.14	0.23	189.13	142.47	30.30
Add: Purchases	-	-	6.04	1,827.10	2,694.40	1,363.14
	-	**0.14**	**6.27**	**2,016.23**	**2,836.87**	**1,393.44**
Less: Closing Stock of raw materials	-	-	(0.14)	(0.23)	(189.13)	(142.47)
Total	**-**	**0.14**	**6.13**	**2,016.00**	**2,647.74**	**1,250.97**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

23a VALUE OF IMPORTED AND INDIGENOUS MATERIALS CONSUMED

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Indigenous	-	0.14	6.13	2,016.00	2,647.74	1,250.97
Imported	-	-	-	-	-	-
Total	**-**	**0.14**	**6.13**	**2,016.00**	**2,647.74**	**1,250.97**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Closing stock of Finished goods	-	-	(0.46)	(0.33)	(189.04)	(47.11)
Opening stock of Finished goods	-	0.46	0.33	189.04	47.11	21.24
	-	0.46	(0.13)	188.71	(141.93)	(25.87)
Closing stock of Stock in trade	(1,618.04)	(1,639.05)	(1,364.30)	(1,362.98)	(1,263.03)	(943.13)
Opening stock of Stock in trade	1,639.05	1,364.30	1,362.98	1,263.03	943.13	706.18
	21.01	(274.75)	(1.32)	(99.95)	(319.90)	(236.95)
Total	**21.01**	**(274.29)**	**(1.45)**	**88.76**	**(461.83)**	**(262.82)**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

25 EMPLOYEE BENEFITS EXPENSES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Salaries and Wages	126.00	154.63	133.68	121.22	116.27	67.74
Remuneration To Directors	13.15	15.25	13.86	12.60	10.20	9.90
Bonus to Staff & Exgratia	18.89	21.55	17.65	14.57	13.62	10.00
Compensated absences	1.50	2.47	1.84	1.73	1.58	1.25
Gratuity-Employees (Refer note 25a)	3.72	-	4.48	1.32	3.60	3.29
Staff Welfare Expenses	4.97	6.11	5.61	5.74	6.63	3.30
Staff Labour Stipend	10.57	11.98	9.71	17.00	11.14	11.07
Contribution for:						
Employee state insurance	1.56	2.32	2.18	2.07	2.02	1.63
Provident fund	9.52	11.74	10.67	9.94	9.32	6.78
Total	**189.88**	**226.05**	**199.68**	**186.19**	**174.38**	**114.96**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

25a DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED)-EMPLOYEE BENEFITS

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service.

The Disclosure relating to defined benefit plans under AS-15:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
I. Table Showing Change in Present Value of Obligation :						
Liability at the beginning of the period/year	24.13	24.44	18.07	16.92	12.39	8.57
Interest Cost	1.38	1.91	1.68	1.35	1.05	0.69
Current Service Cost	2.53	2.86	2.52	1.93	1.92	1.20
Benefit Paid	(1.32)	(1.36)	(1.00)	(0.89)	(0.34)	(0.18)
Past Service Cost (Vested Benefit)	0.76	0.06	-	-	-	-
Actuarial (gain)/loss on obligations	1.00	(3.76)	3.17	(1.24)	1.89	2.12
Liability at the end of the period/year	**28.49**	**24.13**	**24.44**	**18.07**	**16.92**	**12.39**
II. Change in Fair value of Plan Assets :						
Fair Value of Plan Assets at the beginning of the period/year	24.53	19.95	16.75	13.32	12.17	8.62
Expected Return on Plan Assets	1.39	1.65	1.35	1.07	1.03	0.69
Contributions	0.17	4.52	1.51	3.63	0.07	3.01
Benefit Paid	(1.32)	(1.36)	(1.00)	(0.89)	(0.34)	(0.18)
Actuarial gain/(loss) on Plan Assets	1.10	(0.24)	1.34	(0.37)	0.39	0.03
Fair Value of Plan Assets at the end of the period/year	25.87	24.53	19.95	16.75	13.32	12.17
Total Actuarial Gain/(Loss) To Be Recognised	**0.09**	**3.53**	**(1.83)**	**0.87**	**(1.50)**	**(2.09)**
III. Actual Return on Plan Assets :						
Expected Return on Plan Assets	1.39	1.65	1.35	1.07	1.03	0.69
Actuarial gain/(loss) on Plan Assets	1.10	(0.24)	1.34	(0.37)	0.39	0.03
Actual Return on Plan Assets	**2.49**	**1.42**	**2.69**	**0.69**	**1.42**	**0.72**
IV. Amount Recognised in the Balance Sheet :						
Liability at the end of the period/year	28.49	24.13	24.44	18.07	16.92	12.39
Fair Value of Plan Assets at the end of the period/year	25.87	24.53	19.95	16.75	13.32	12.17
Difference	(2.62)	0.40	(4.48)	(1.32)	(3.60)	(0.22)
Amount Recognised in the Balance Sheet	**(2.62)**	**-**	**(4.48)**	**(1.32)**	**(3.60)**	**(0.22)**
V. Expenses Recognised in the Income Statement :						
Current Service Cost	2.53	2.86	2.52	1.93	1.92	1.20
Interest Cost	1.38	1.91	1.68	1.35	1.05	0.69
Expected Return on Plan Assets	(1.39)	(1.65)	(1.35)	(1.07)	(1.03)	(0.69)
Past Service Cost (Vested Benefit) Recognised	0.76	0.06	-	-	-	-
Actuarial (Gain) or Loss	(0.09)	(3.53)	1.83	(0.87)	1.50	2.09
Expense Recognised in P& L	**3.18**	**-**	**4.68**	**1.35**	**3.44**	**3.29**

(₹ in Millions)

25a DISCLOSURE PURSUANT TO ACCOUNTING STANDARD 15 (REVISED)-EMPLOYEE BENEFITS

VI. Balance Sheet Reconciliation

Opening Net Liability	(0.40)	4.48	1.32	3.60	0.22	(0.05)
Expense as above	3.18	-	4.68	1.35	3.44	3.29
Employers Contribution	(0.17)	(4.52)	(1.51)	(3.63)	(0.07)	(3.01)
Amount Recognised in Balance Sheet	**2.62**	**-**	**4.48**	**1.32**	**3.60**	**0.22**
VII Category of Assets as a percentage of total plan assets						
Insurance company	100%	100%	100%	100%	100%	100%
VIII. Assumptions :						
Discount Rate	7.60%	7.60%	7.80%	8.00%	8.50%	8.50%
Rate of Return on Plan Assets	7.80%	7.80%	8.00%	8.00%	8.50%	8.50%
Salary Escalation	7.00%	7.00%	7.00%	6.50%	10.00%	6.50%
Attrition Rate	10.00%	10.00%	10.00%	2.00%	2.00%	2.00%

Experience Adjustment

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined Benefit Obligation	28.49	24.13	24.44	18.07	16.92	12.39
Fair Value of Plan Assets	25.87	24.53	19.95	16.75	13.32	12.17
Surplus/(Deficit)	(2.62)	0.40	(4.48)	(1.32)	(3.60)	(0.22)
Experience Adjustment on Plan Liabilities: (Gain)/Loss	-	(4.05)	2.07	(1.24)	1.89	2.12
Experience Adjustment on Plan Assets: Gain/(Loss)	-	(0.28)	1.12	(0.37)	0.39	0.03

25b **Defined Contribution Plans**

Contribution to Defined Contribution Plans, recognised as an expense for the period/year is as under:

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Employer's Contribution to Employee State Insurance	1.56	2.32	2.18	2.07	2.02	1.63
Employer's Contribution to Provident Fund (includes pension fund)	9.52	11.74	10.67	9.94	9.32	6.78
Total	**11.08**	**14.06**	**12.85**	**12.01**	**11.34**	**8.41**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

(₹ in Millions)

26 FINANCE COSTS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Interest Expense	206.66	280.93	378.95	386.09	306.69	205.54
Other borrowing costs	14.04	7.39	7.30	0.26	10.90	2.30
Interest on Income Tax	2.90	5.03	-	0.50	1.81	2.58
Total	**223.60**	**293.35**	**386.25**	**386.85**	**319.40**	**210.42**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

27 OTHER EXPENSES

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Power & Fuel	5.13	5.49	5.08	31.75	32.20	15.25
Consumption of Stores & Spares	-	0.03	2.83	43.92	67.98	11.37
Rent (Refer note 27a)	55.45	63.34	59.43	51.13	45.69	30.15
Repairs to Buildings	-	0.12	0.19	0.15	0.13	0.20
Repairs & Maintenance -Others	25.90	47.00	49.22	44.15	39.36	33.39
Insurance Charges	2.67	4.11	3.80	3.84	19.24	3.20
Rates & Taxes	15.01	17.65	12.39	19.67	35.02	19.78
Travelling Expenses	15.00	14.22	15.55	14.98	12.55	9.29
Directors fees	0.28	0.25	0.10	0.06	0.05	0.11
Payment to Auditors						
Statutory audit	0.75	1.30	1.00	1.00	1.00	0.70
Tax Audit	-	0.23	0.23	0.15	0.15	0.15
Other services	-	-	0.20	0.51	0.18	0.26
Reimbursement of Expenses	0.05	0.01	0.26	0.15	0.53	0.03
Service tax	-	-	0.21	0.02	0.14	0.13
Professional fees	8.28	5.02	4.64	10.27	4.39	3.52
Printing & Stationery	8.91	7.82	7.55	7.15	5.45	4.85
Communication Expenses	8.50	10.61	9.68	8.41	6.86	6.24
Advertisement & Publicity Expenses	5.25	4.51	5.92	7.05	5.46	8.02
Provision for doubtful debts/advances	0.01	2.39	2.63	(0.38)	(1.55)	2.63
Coolie Charges	51.94	66.73	55.50	47.18	39.86	40.17
Freight Charges	49.00	38.18	26.53	212.00	233.98	173.02
Commission Charges	4.98	6.03	3.75	22.79	11.77	13.24
Bad Debts written off	-	0.25	(0.62)	0.36	1.45	0.25
Loss on sale of asset	0.18	-	3.73	0.45	0.17	0.34
Miscellaneous Expenses	21.71	33.84	28.55	38.96	27.66	19.43
Total	**279.00**	**329.13**	**298.35**	**565.72**	**589.72**	**395.72**

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

27a LEASING ARRANGEMENTS

Operating Lease - Where the Company is the lessee

The significant leasing arrangements entered into by the company include the following:

Building taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation for employees and which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by the Lessee for any reason by giving notice of between 1 and 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends, additional debts.

Lease payments recognized under rent expenses in Note 27 are as follows: (₹ in Millions)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Lease payment for the period/year	55.45	63.34	59.43	51.13	45.69	30.15

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

28 RELATED PARTY DISCLOSURES

28a List of related parties (as identified and certified by the management)

Nature of Relationship	Name of related parties
Enterprise which are able to exercise significant Influence	Fairwinds Trustee Services Private Limited (Formerly known as Reliance Alternative Investments Services Private Limited)
Subsidiary Companies	1. Vishal Precision Steel Tubes and Strips private Ltd 2. Taurus Value Steel & Pipes private Limited [from 18th April 2013] 3. Steel Networks Pte Limited (Singapore) [from 12th September 2013]
Step Down Subsidiary	Century wells Roofing India Private Limited [from 30th November 2013]
Companies over which key managerial personnel can exercise significant influence	1. Taurus Value Steel & Pipes private Limited [up to 17th April 2013] 2. Shankara Cargo Movers (up to 23rd August 2011) 3. Shankara Meta-Steel India Private Limited 4. Shankara Holdings Private Limited
Key Managerial Personnel	1. Sukumar Srinivas, Managing Director 2. C.Ravikumar, Whole time Director 3. R.S.V.Shivaprasad, Whole time Director 4. Alex Varghese, Chief Financial Officer 5. Ereena Vikram, Company Secretary [from 8th September 2016]]

28b Related party transactions and balances

The Company has identified the following related party transactions as per Accounting Standard 18:

(₹ in Millions)

Transactions	For Nine months ended 31st December 2016	For the year ended 31st March				
		2016	2015	2014	2013	2012
Purchase of Goods						
Vishal Precision Steel Tubes and Strips Private Ltd	2,483.75	2,507.88	1,893.77	1,257.98	1,228.93	1,101.89
Taurus Value Steel & Pipes Private Limited	3,070.14	3,863.75	3,384.83	1,609.32	-	-
Century wells Roofing India Private Limited	752.83	729.45	596.73	178.83	-	-
Sale of Goods						
Vishal Precision Steel Tubes and Strips Private Ltd	60.14	120.65	102.35	187.99	117.74	227.76
Taurus Value Steel & Pipes Private Limited	137.76	57.18	37.48	505.96	-	-
Century wells Roofing India Private Limited	12.64	78.08	114.45	153.59	-	-
Sale of Fixed assets						
Vishal Precision Steel Tubes and Strips Private Ltd	2.28	-	-	-	-	-
Rent paid						
Key Managerial Personnel	0.35	0.30	0.30	0.30	0.30	0.30
Taurus Value Steel & Pipes Private Limited	2.00	2.61	2.61	1.71	-	-
Rent Received						
Vishal Precision Steel Tubes and Strips Private Ltd	0.09	0.12	0.12	0.12	-	-
Taurus Value Steel & Pipes Private Limited	1.77	1.50	1.50	0.69	-	-
Century wells Roofing India Private Limited	1.40	1.86	0.74	0.14	-	-
Interest paid on Debentures						
Fairwinds Trustee Services Private Limited	-	-	-	0.26	1.40	2.36
Loan given						
Taurus Value Steel & Pipes Private Limited	-	-	-	500.00	-	-
Advances given						
Vishal Precision Steel Tubes and Strips Private Ltd	-	-	-	30.71	-	81.17
Taurus Value Steel & Pipes Private Limited	-	-	-	489.94	-	-
Century wells Roofing India Private Limited	-	-	16.72	153.82	-	-
Remuneration paid to Key Managerial Personnel						
Managing Director						
Mr. Sukumar Srinivas	8.42	9.76	8.87	8.06	6.72	6.72
Whole time Director						
Mr. Ravikumar Chowdappa	3.81	4.37	4.01	3.60	2.93	2.80
Mr. RSV Shivaprasad	2.94	3.44	3.21	2.79	2.19	2.12
Chief financial officer						
Mr. Alex Varghese	1.41	1.54	1.31	-	-	-
Company Secretary						
Ms. Ereena Vikram	0.16	-	-	-	-	-
Investment in subsidiaries						
Steel Networks Pte Limited (Singapore)	-	-	10.00	87.50	-	-
Taurus Value Steel & Pipes Private Limited	-	-	-	150.10	-	-

28b Related party transactions and balances

The Company has identified the following related party transactions as per Accounting Standard 18:

(₹ in Millions)

Balances	As at 31st December 2016	As at 31st March				
		2016	2015	2014	2013	2012
Advances given						
Vishal Precision Steel Tubes and Strips Private Ltd	-	-	-	30.71	-	81.17
Century wells Roofing India Private Limited	-	-	16.72	153.82	-	-
Taurus Value Steel & Pipes Private Limited	-	-	-	489.94	0.18	-
Shankara Holdings Private Limited	-	-	-	-	-	0.02
Shankara Cargo Movers	-	-	-	-	-	0.03
Shankara Meta-Steel India Private Limited	-	-	-	-	-	0.02
Rent Payable						
Taurus Value Steel & Pipes Private Limited	0.24	0.23	-	-	-	-
Rent Receivable						
Vishal Precision Steel Tubes and Strips Private Ltd	0.01	0.01	-	-	-	-
Taurus Value Steel & Pipes Private Limited	0.20	0.21	-	-	-	-
Century wells Roofing India Private Limited	0.16	0.16	-	-	-	-
Loan Receivable						
Taurus Value Steel & Pipes Private Limited	500.00	500.00	500.00	500.00	-	-
Trade Payables						
Vishal Precision Steel Tubes and Strips Private Ltd	181.93	163.47	11.01	-	26.67	
Taurus Value Steel & Pipes Private Limited	397.37	140.70	29.95	-	-	-
Century wells Roofing India Private Limited	72.75	3.19	-	-	-	-
Long Term borrowings						
Fairwinds Trustee Services Private Limited		-	-	-	73.70	163.78
Guarantees & Collaterals						
Bank guarantee provided in favour of						
Vishal Precision Steel Tubes and Strips Private Ltd	767.50	617.40	300.00	250.00	250.00	250.00
Taurus Value Steel & Pipes Private Limited	1,030.00	830.00	930.00	-	-	-
Century wells Roofing India Private Limited	200.00	100.00	100.00	-	-	-
Due from Director	1.40	1.98	2.48	2.93	-	0.05

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

29 DISCONTINUED OPERATIONS

During the year 2013-14, the company had entered into a Business Transfer Agreement with its wholly owned subsidiary, Taurus Value Steel & Pipes Private Limited on 12th June 2013 for hiving-off the manufacturing facilities of the company situated at Chegunta and Miyapur with effect from 01st October 2013. The transfer of the undertakings have been made as a Going Concern on a Slump Sale basis after obtaining the necessary statutory and regulatory approvals. Pursuant to the transfer, the Company has hived-off the fixed assets and net current assets of the 2 manufacturing facilities aggregating to Rs. 125,04,48,683.

(₹ in Millions)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013	For the year ended 31st March 2012
Income			
Revenue from Operations	2,927.80	3,386.97	1,677.41
Other Income	0.06	0.15	0.01
Total Revenue	**2,927.86**	**3,387.12**	**1,677.42**
Expenses:			
Cost of Materials Consumed	2,015.75	2,646.77	1,250.98
Purchases of Stock In Trade	452.36	497.82	302.61
Changes in inventories of finished goods, work-in-progress	189.04	(106.21)	(25.87)
Employee benefits Expense	25.63	39.20	6.63
Finance Costs	0.04	0.18	-
Depreciation and amortization Expense	16.13	22.95	10.55
Other Expenses	96.91	141.77	66.46
Total Expenses	**2,795.86**	**3,242.48**	**1,611.36**
Profit / (Loss) before Tax	**132.00**	**144.64**	**66.06**
Less : Tax Expense			
Current Tax	44.03	39.32	18.85
Deferred Tax	(47.98)	-	-
Profit after tax from Discontinued Operations	**135.95**	**105.32**	**47.21**

The carrying amounts of the total assets and liabilities of discontinued operations

Particulars	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Total Assets	1,348.68	3,730.33	703.86
Total Liabilities	98.23	2,810.93	-
Net Assets	**1,250.45**	**919.40**	**703.86**

30 The Company has neither any foreign currency earnings nor any foreign currency expenditure for the period ended 31st December 2016 and for the years ended 31st March 2016, 31st March 2015, 31st March 2014, 31st March 2013 & 31st March 2012

MISCELLANEOUS NOTES

(₹ in Millions)

31 CASH & CASH EQUIVALENTS

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Cash on Hand	9.69	10.21	14.86	8.96	10.07	12.29
With Banks:						
In current account	2.02	1.53	4.95	1.45	8.17	7.62
Total	**11.71**	**11.74**	**19.81**	**10.41**	**18.24**	**19.91**

The company has entered into cash management service agreement with certain banks for the collection of cheques at various branches and transfer of the funds to certain cash credit accounts by way of standing instructions. Pending such credits in the account, the same is disclosed as net of such collections.

The above mentioned cash and cash equivalents does not contain any amount that are not available for use by the company.

32 Details of Consumption and Purchases

(a) Details of Raw Materials/ Packing materials consumed (Includes Consumption of Discontinued Operations)

(₹ in Millions)

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Materials						
Steel & Pipes	-	0.14	6.13	2,016.00	2,647.74	1,250.97
Total	**-**	**0.14**	**6.13**	**2,016.00**	**2,647.74**	**1,250.97**

(b) Purchases of Traded goods (Includes Purchases from Discontinued Operations) **(₹ in Millions)**

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Building Products	13,616.71	16,958.58	16,215.49	15,326.73	13,310.76	11,709.08

33 CIF Value of Imports **(₹ in Millions)**

Particulars	31 Dec 2016	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
CIF Value of Imports	-	-	-	-	-	-

34 Exceptional Item

Rs. 4,48,653 (Net of Tax Rs. 2,96,155) - represents Profit on transfer of manufacturing units to the wholly owned subsidiary, M/s. Taurus Value Steel & Pipes Private Ltd during the year 2013-14, disclosed net of tax.

Shankara Building Products Ltd., (Formerly Shankara Infrastructure Materials Ltd.,)
Annexure VI - Restated Standalone Summary Statement on adjustments to Audited Financial Statements

A. Adjustments made to Audited Statement of Profit & Loss

(₹ in Millions)

Particulars	For Nine months ended 31st December 2016	For the years ended 31st March				
		2016	2015	2014	2013	2012
Net Profit as per Audited Standalone Financial Statements	133.79	108.15	39.19	200.04	270.02	283.20
a) Adjustments on account of change in accounting estimate						
- Depreciation & Amortisation (Refer Note 1)	-	-	-	(3.46)	(1.39)	(0.50)
b) Adjustments to Finance Cost (Refer Note 2)	2.27	(2.27)	-	-	(1.22)	-
c) Provision for doubtful debts(Refer Note 4c)	0.71	1.69	4.26	1.17	2.57	0.38
d) Bad debts (Refer Note 4d)	-	0.16	1.92	0.51	(1.18)	(0.21)
e) Miscellaneous Income		(0.59)	(3.65)	-	-	-
f) Prior period expenses (Refer Note 3)	-	-	-	-	-	(3.37)
g) Restatement of Taxes						
- Tax Adjustments (Refer Note 4a)	-	2.23	(2.23)	1.75	-	(4.13)
- Deferred Tax on restatements (Refer Note 4c)	0.61	0.39	2.98	(6.63)	2.44	2.39
Net Profit as per Restated Standalone Financial Statements after adjustments	137.38	109.77	42.47	193.38	271.24	277.75

B. Reconciliation of Opening Reserves

The surplus in Statement of Profit & Loss as at 01st April 2011 has been restated to reflect the impact of the items pertaining to the period prior to 31st March 2011; Summary of such adjustments are as below:

Particulars	As at 1st April 2011
Surplus in the statement of Profit & Loss as audited	572.22
Depreciation & Amortisation	(1.23)
Prior period expenses	3.37
Provision for doubtful debts	(6.54)
Bad debts written off	(1.20)
Interest on Income Tax	3.60
Surplus in the Statement of Profit & Loss as restated	**570.21**

Explanatory Notes

1 In the year 2014-15, the management carried out an independent estimate of the useful life of assets and accordingly the estimated useful life of assets are revised from 1st April 2014. Now the estimated useful life of assets are as per Schedule II to the Companies Act, 2013. Depreciation as per the transitional provision, has been adjusted to the respective years to effect the difference in the useful life. The impact of depreciation on previous years has been computed and adjusted.

2 Interest on account of delay/deferment of Advance Tax for the past five years & for the stub period has been recognized in the respective years under Finance Cost.

3 In the audited financial statement of the year ended 31st March 2012, the company has recognized prior period epenses relating to depreciation; the same has been adjusted in the Opening retained earning of the year 2011-12.

4a In the audited financial statements for the period ended 31st December 2016 and for the years ended March 2016, 2015, 2014, 2013 and 2012, the Company had considered the tax impact of income tax assessment/orders of earlier years in the year of crystalization of demand. On restatement, such amounts have been recorded in the respective years to which the income tax assessment relates.

4b Deferred tax has been computed on the applicable items at uniform tax rate i.e 30% loaded with Surcharge & Education Cess as applicable for the period ended 31st December 2016 and for the years ended March 2016, 2015, 2014, 2013 and 2012, respectively for the purpose of restatement.

4c In the audited financial statements for the stub period ended 31st December 2016 & the years ended March 2016, 2015, 2014, 2013 and 2012, certain amounts had provided as doubtful debts & certain amounts had been written off as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective year of sale. Bad debts & Provision for doubtful debts relates to sales happened prior to 01st April 2011 have been adjusted against the Opening Retained Earnings of the year 2011-12

C. Material regrouping

Appropriate adjustments have been made in the restated standalone summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended 31st December 2016, prepared in accordance with Schedule III of Companies Act, 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

D. Non - Adjusting Items to Audited Financial Statements

The Financial Statements of Shankara Building Products Ltd., & Taurus Value Steel & Pipes Pvt Ltd have been audited by us, M/s Haribhakti & Co LLP; the financial statements of Vishal Precision Steel Tubes & Strips Pvt Ltd were audited by M/s. Vijay & Raj Chartered Accountants. The financial statement of another subsidiary, Century Wells Roofing India Pvt Ltd were audited by M/s. B.B. Naidu & Co, Chartered Accountants.

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2003, 2015 & 2016 (CARO), issued by the Central Government of India under sub section (4A) of Section 227 of the Companies Act 1956 & under sec 143(10) of the Companies Act, 2013. Certain statements/comments included in audit opinion on the financial statements and CARO, which do not require an adjustment in the restated summary financial information are reproduced below in respect of the financial statements presented:

Financial Year 2011-12

Statutory Auditors (Financial Year 2011-12) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2003
Clause ix(c)

Name of the statute	Income Tax Act, 1961
Nature of dues	Income Tax
Amount	Rs. 18,20,030*
Period to which the amount relates	AY2008-09
Forum where dispute is pending	CIT (Appeals)

*Net of Rs. 18,00,000 paid under protest.

Financial Year 2012-13

Statutory Auditors (Financial Year 2012-13) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2003
Clause ix(c)

Name of the statute	Income Tax Act, 1961	Income Tax Act, 1961
Nature of dues	Income Tax	Income Tax
Amount	Rs. 18,20,030*	Rs. 1,21,357
Period to which the amount relates	AY2008-09	AY 2009-10
Forum where dispute is pending	CIT (Appeals)	ACIT

*Net of Rs. 18,00,000 paid under protest.

Financial Year 2013-14

Statutory Auditors (Financial Year 2013-14) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2003
Clause ix(c)

Name of the statute	Income Tax Act, 1961
Nature of dues	Income Tax
Amount	Rs. 63,43,060
Period to which the amount relates	AY 2006-07 AY 2008-09
Forum where dispute is pending	ITAT

Financial Year 2014-15

Statutory Auditors (Financial Year 2014-15) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2015
Clause ii(b)
The company's programme of periodical physical verification of inventories covered the inventories held at certain locations/ branches which is apart from the in house verification of stock done by the respective branches. In our opinion, the periodicity and frequency of such verification need to be streamlined.

Financial Year 2015-16

Statutory Auditors (Financial Year 2015-16) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2016
Clause i(a)
The Company is in the process of updating its fixed asset register showing full particulars, including quantitative details and situation of fixed assets.

Period ended 31st December 2016

Statutory Auditors (31st December 2016) have made the following comments in the Auditors' Report - Not requiring adjustment.

Main Audit report - Nil

Report under Companies (Auditor's Report) Order, 2016 - Not applicable for the stub period ended 31st December 2016

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure VII - Restated Standalone Summary Statement of Accounting Ratios

(₹ in Million)

Particulars	For Nine months ended 31st Dec 2016	For the years ended March 31st				
		2016	2015	2014	2013	2012
a. Basic Earnings per Share (Not annualised)						
Profit attributable to Equity shareholders, as restated	137.38	109.77	42.47	193.38	271.24	277.75
Weighted average number of equity shares (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Basic Earnings Per Share (in Rs.)	6.28	5.02	1.94	8.84	12.81	13.67
Face value per Share (in Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
b. Diluted Earnings per Share (Not annualised)						
Profit attributable to Equity shareholders, as restated	137.38	109.77	42.47	193.38	271.24	277.75
Add: Interest on CCDs (Net of tax)	-	-	-	-	0.95	1.59
Profit after adjusting interest on potential equity shares, as restated	137.38	109.77	42.47	193.38	272.19	279.34
Weighted average number of equity share (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Add :Potential convertible debentures (in million)	-	-	-	-	0.70	1.56
Total potential number of equity shares (in million)	21.87	21.87	21.87	21.87	21.87	21.87
Diluted Earnings per Share (in Rs.)	6.28	5.02	1.94	8.84	12.45	12.77
c. Return on Networth for Equity Shareholders in (%)						
i) Profit available to Equity shareholders	137.38	109.77	42.47	193.38	271.24	277.75
ii) Networth of Equity shareholders	2,399.80	2,262.42	2,192.18	2,176.06	1,934.20	1,597.24
iii) Return on Networth (i/ii)	5.72%	4.85%	1.94%	8.89%	14.02%	17.39%
d. Net Asset Value per Share						
Total no of shares outstanding (in million)	21.87	21.87	21.87	21.87	21.17	20.31
Net Asset Value (in Rs.)	109.73	103.44	100.23	99.50	91.37	78.63

1. Ratios have been computed on the basis of the Restated Summary Financial Statements.

2. The Ratio have been computed as below:

Earnings per Share (Rs.) =	Restated Profit after tax attributable to equity shareholders for the year
	Weighted Average Number of equity shares
Diluted Earnings per Share (Rs.) =	Restated Profit after tax attributable to equity shareholders for the year after adjusting the earnings for potential equity shares
	Weighted Average dilutive Number of equity shares
Return on Net Worth (%) =	Restated Profit after tax attributable to equity shareholders for the year
	Net Worth at the end of the year
Net Assets Value per Share (Rs.) =	Net Worth at the end of the year
	Total number of equity shares outstanding at the end of the year

3 Net worth for ratios mentioned represents sum of share capital and reserves and surplus (securities premium, capital reserve, general reserve and surplus in the statement of profit and loss).

4 For computation of Diluted Earnings per Share, effect of dilutive CCDs has been given for all the years presented based on the current estimates of conversion in those respective years.

The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV and Annexure VI.

Shankara Building Products Limited
(Formerly known as Shankara Infrastructure Materials Limited)
Annexure VIII - Restated Standalone Summary Statement of Capitalization

(₹ in Million)

Particulars	Refer Annexure	As at 31st December 2016	As adjusted for issue
Debt			
Long term debts includes current maturities of long term debt (A)	V(3) & V(9)	93.38	Refer Note 2
Short term debts (B)	V(7)	1,681.89	
Total Debt C= (A+B)		**1,775.27**	
Shareholder's funds			
Share Capital (D)	V(1)	218.71	
Reserves & Surplus (E)	V(2)	2,181.09	
Total Shareholders' funds F = (D+E)		**2,399.80**	
Long term Debt/Equity Ratio (A/F)		0.04	
Debt/ equity ratio (C/F)		0.74	

Notes

1 The above statement should be read with the notes on adjustments for the Restated Standalone Summary Statement of the Assets and Liabilities, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary of Cash Flows as appearing in annexure I to III and significant accounting policies and other notes as appearing in -annexure IV and V.

2 The corresponding figures (As adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

3 Short term debts is considered as borrowing due within 12 months from the date of borrowing

4 Long term debts is considered as borrowing other than short term borrowing, as defined above and excludes the Current maturities of finance lease obligation.

5 Long Term Debt equity ratio = $\frac{\text{Long term borrowing}}{\text{Total shareholder fund}}$

6 Debt equity ratio = $\frac{\text{Total borrowing}}{\text{Total shareholder fund}}$

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure IX - Restated Standalone Summary Statement of Dividends Paid / Proposed

(₹ in Million)

Particulars	As at 31st December 2016	As at March 31st				
		2016	2015	2014	2013	2012
Dividend on Equity Shares						
Number of Equity Shares (In millions)	21.87	21.87	21.87	21.87	21.17	20.31
Face Value per share(Rs.)	10	10	10	10	10	10
Dividend paid/proposed on Equity Shares (Rs. In million)	-	32.81	21.87	21.70	20.95	20.31

Shankara Building Products Limited (Formerly known as Shankara Infrastructure Materials Limited)
Annexure X - Tax shelter statement

Restated Standalone Summary Statement of Tax Shelter

(₹ in Million)

S.No	Particulars	For Nine months ended 31st December 2016	For the year ended 31st March				
			2016	2015	2014	2013	2012
A	**Profit before extraordinary item and tax, as restated** (Including Profits from Discontinued Operations)	215.67	184.55	64.43	232.95	404.72	414.27
B	**Statutory tax rate applicable**	34.608%	34.608%	32.445%	33.990%	32.445%	32.445%
	Basic tax rate	30%	30%	30%	30%	30%	30%
	Surcharge (on basic tax rate)	12%	12%	5%	10%	5%	5%
	Education cess (on basic tax rate + surcharge)	3%	3%	3%	3%	3%	3%
C	**Tax thereon at the above rate**	74.64	63.87	20.90	79.18	131.31	134.41
D	**Adjustment for Timing differences**						
	Provision for doubtful debts/advances	0.71	4.08	6.88	0.79	1.02	3.01
	Differences in book depreciation and depreciation under the Income Tax Act.	(7.55)	(13.57)	(9.63)	(9.89)	(70.76)	(55.05)
	Other disallowed expenses - Timing (Provision for Gratuity, Compensated Absences, etc.)	4.12	-	-	-	-	(0.99)
	Effect of restatement -Timing	(0.71)	(1.69)	(4.26)	143.45	(1.17)	0.12
	Total adjustment for Timing difference	**(3.43)**	**(11.18)**	**(7.01)**	**134.35**	**(70.91)**	**(52.91)**
E	**Adjustment for Permanent difference**						
	Other disallowed expenses - Permanent (Donation, Interest on Income Tax, etc.)	12.80	12.86	9.39	(137.33)	2.83	2.74
	Effect of restatement - Permanent	(2.27)	2.69	1.72	(0.51)	2.40	0.21
	Total adjustment for Permanent difference	**10.53**	**15.55**	**11.11**	**(137.84)**	**5.23**	**2.95**
F	**Tax Exemptions**	-	-	-	-	-	-
G	**Net Adjustments**	**7.10**	**4.37**	**4.10**	**(3.49)**	**(65.68)**	**(49.96)**
H	Tax expense/(saving) thereon (G*B)	2.46	1.51	1.33	(1.19)	(21.31)	(16.21)
I	Total Tax expenses (H+C)	77.10	65.38	22.23	77.99	110.00	118.20
J	**Tax as per MAT 115 JB**	45.39	39.60	12.38	49.21	81.21	83.63
K	**Tax Expenses (Higher of I and J)**	77.10	65.38	22.23	77.99	110.00	118.20

Notes:

1 The above statement should be read with the notes to restated standalone summary of Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement appearing in Annexure IV to Annexure VI.

2 The above Statement is in accordance with Accounting Standard 22, 'Accounting for Taxes on Income", as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3 The permanent/ timing differences for the nine months ended December 31 2016, have 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 2016-17 and are subject to any change that may be considered at the time of filing of final return of income for the assessment year 2017-18.

4 The permanent/ timing differences for year ended 31 March 2016, 2015, 2014, 2013 and 2012 have been computed based on the Income-tax returns filed for the respective years.

SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Ind-AS 1	Presentation of Financial Statements	**Other Comprehensive Income:** There is no Concept of Other Comprehensive Income under Indian GAAP. Some items, such as revaluation surplus, that are treated as 'other comprehensive income' under Ind-AS are recognised directly in reserve and surplus under Indian GAAP.	**Other Comprehensive Income:** Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs.
		Statement of Change in Equity: A statement of changes in equity is currently not presented. Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.	**Statement of Change in Equity:** Ind AS-1 requires the presentation of a statement of changes in equity showing: a) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owners of the parent and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, a reconciliation between the opening and closing balances separately disclosing each change.
		Minority Interest: Under Indian GAAP, minority interest is presented separately from liabilities and equity.	**Non-controlling interest:** Under Ind AS-1, minority interest (referred to as non-controlling interest) is presented within equity separately from the parent shareholders' equity.
		Extraordinary items: Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Presentation of any items of income or expense as extraordinary is prohibited.
		Dividends: Schedule III requires disclosure of proposed dividends in the notes to accounts. However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements, which are proposed or declared after the balance sheet date but before approval of the financial statements will have to be recorded as a provision. Further, as per recent amendment in Accounting	**Dividends:** Liability for dividends declared to holders of equity instruments are recognised in the period when declared. It is a non-adjusting event, which is an event after the reporting period that is indicative of a condition that arose after the end of the reporting period.

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		Standards 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement.	
	Reclassification	Under Indian GAAP, a disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification.	Ind-AS requires, when comparative amounts are reclassified, the nature, amount and reason for reclassification to be disclosed.
Ind-AS 8	Accounting Policies, Changes in Accounting Estimates and Error	**Change in Accounting Policies:** Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis together with a disclosure of the impact of the same, if material. If a change in the accounting policy is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation method, though considered a change in accounting policy, is given retrospective effect.	**Change in Accounting Policies:** Ind-AS-8 requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
		Errors: Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	**Errors:** Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
Ind AS 12	Deferred Taxes: P&L vs. Balance Sheet Approach	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base.
Ind AS 12	Deferred tax on unrealized intragroup profits	Deferred tax is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Deferred tax assets/Deferred Tax Liabilities will need to be created on unrealized intragroup profit. Deferred tax on unrealized intra group profits is recognized at the buyer's rate.
Ind AS 16	Property Plant and Equipment - Reviewing depreciation and residual value	Property, plant and equipment are not required to be componentised as per AS-10. However, companies Act requires the company to adopt component accounting. The Companies Act, 2013 sets out the estimated useful lives of assets based on the nature of the asset and the useful life used for depreciation ordinarily should not differ from the useful life specifies in the Companies Act, 2013. However a different useful life may be used based on technical analysis and	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		requires disclosure in financial statements. Further, as per recent amendment in Accounting Standards 10, the standard is made in line with the requirements Ind AS.	
Ind AS 17	Leases: Operating lease rentals	Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless: a) another systematic basis is more representative of the time pattern of the user's benefit; or b) The payments to the lessor are structured to increase in line with expected general inflation for cost increases.
Ind AS 17	Leases: Fair valuation of rent deposits	There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
Ind AS 19	Employee Benefits	All actuarial gains and losses are recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Ind-AS 21	Effects of changes in Foreign Exchange Rates: Functional and presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
Ind-AS 21	Translation of foreign subsidiaries / operations	Under Indian GAAP, the translation of financial statements of a foreign operation to the reporting currency of the parent / investor depends on the classification of that operation as integral or non-integral. In the case of an integral foreign operation, monetary assets are translated at closing rate. Non-monetary items are translated at historical rate if they are valued at cost. Nonmonetary items which are carried at fair value or other similar valuation are reported using the exchange rates that existed when the values were determined. Income and expense items are translated at historical / average rate. Exchange differences are taken to the statement of profit and loss. For non-integral foreign operations, closing rate method should be followed (i.e. all assets and liabilities are to be translated at closing rate while profit and loss account items are translated at actual/average rates). The resulting	Under Ind-AS, assets and liabilities should be translated from the functional currency to the presentation currency at the closing rate at the date of the statement of financial position, income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal is recognized. Treatment of disposal depends on whether control is lost or not. Thus, if control is lost, the exchange difference attributable to the parent is reclassified to profit or loss from foreign currency translation reserve in other comprehensive income.

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		exchange difference is taken to reserve and is recycled to profit and loss on the disposal of the non-integral foreign operation.	
Ind-AS 37	Provisions, Contingent Liabilities and Contingent Assets	Discounting of liabilities is not permitted and provisions are carried at their full values.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation. The discount rate is a pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the liability.
Ind AS 102	Recognition of ESOP charge	The guidance note on accounting of employee share based payments effective April 1, 2005 issued by the ICAI required unlisted companies to account for ESOP charge. The guidance note permits the use of either the intrinsic value or fair value for determining the cost of benefits arising from employee share based compensation plans. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on the date of grant and the exercise price of the option. The fair value method is based on fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for eg. Black Scholes or Binomial model).	Under Ind AS, in case of equity settled transactions with employees, the fair value as of the grant date of the equity instrument should be used. The fair value is estimated using an option-pricing model (for e.g. Black Scholes or Binomial model).

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Ind-AS 103	Accounting of acquisitions: Business combinations	As per Indian GAAP, amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition. Upon an acquisition, any excess of the amount of the purchase consideration over the value of net assets of the transferor company acquired by the transferee company is recognized in the transferee company's consolidated financial statements as goodwill on acquisition. Excess of net assets acquired over the purchase consideration is recognized as capital reserve. The goodwill is tested for impairment at each balance sheet date. As per the existing AS 14 states that the minority interest is the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and it is shown outside shareholders' equity.	Under Ind-AS, business combinations, other than those between entities under common control, are accounted for using the purchase method, wherein fair values of identifiable assets and liabilities of the acquiree are recognized (with very limited exceptions). Business combinations between entities under common control should be accounted for using the 'pooling of interests' method. Upon an acquisition, the purchase price allocation should be made by fair valuation of all assets including intangibles. Goodwill is measured as the difference between; • the aggregate of a) the fair value of the consideration transferred on the acquisition date; b) the amount of any non-controlling interest; and • the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed after adjusting deferred tax assets and liabilities. The goodwill is tested for impairment at each balance sheet date. Excess of net assets acquired over the purchase consideration is recognized as capital reserve. Ind AS 103 requires that for each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
Ind-AS 108	Operating Segments: Determination of Segments	Under Indian GAAP, companies are to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Under Ind-AS, operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision-maker (CODM) in deciding how to allocate resources and in assessing performance.
Ind-AS 109	Financial Assets	Financial assets are not defined in Indian GAAP and no specific guidance is provided.	All financial assets are classified as measured at amortised cost using effective interest method or measured at fair value through profit and loss or fair value through other comprehensive income.
Ind-AS 109	Financial Liabilities	Financial liabilities are not defined in Indian GAAP and no specific guidance is provided.	Financial liabilities held for trading are subsequently measured at fair value through profit and loss and all other financial liabilities are measured at amortised cost using the effective interest method.
Ind AS 109	Accounting of current investment	Under Indian GAAP, long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is not temporary in nature. Current investments, except for current maturities of long-term investments, comprising investments in mutual funds are	A financial asset is measured at amortized cost if it meets the following criteria: • the asset is held to collect its contractual cash flows. • the asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI'). Financial assets included within the amortized cost category are initially recognized at fair value and subsequently

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		stated at the lower of cost and fair value.	measured at amortized cost. A financial asset is measured at fair value through the Other Comprehensive Income if it fulfills the following requirements: • the objective of the business model is achieved both by collecting contractual cash flows and by selling financial assets. • the asset's contractual cash flows represent SPPI. Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value. Movements in the carrying amount will be taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. Where the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Fair value through profit & loss (FVTPL) is the residual category. Financial assets will be classified as FVTPL if they do not meet the criteria of FVTOCI or amortized cost. Financial assets included within the FVTPL category will be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL, if doing so, reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch')
Ind AS 109	Financial guarantee contract	Under Indian GAAP, the financial guarantee contracts (i.e. guarantees given on behalf of subsidiary, associate or joint venture companies) are disclosed by way of contingent liabilities in the standalone financial statements of the parent company. Guarantees given on behalf of associate and joint venture companies are disclosed by way of contingent liabilities in the consolidated financial statements of the parent company.	Ind AS 109 requires all financial guarantee contracts to be recognised at fair value at inception. The fair value of the contract will be equal to the amount of premium receivable (or net present value of the premium if the same is paid over the period) determined on an arm's length basis. Thereafter, the same is required to be carried at the amount initially recognised less the cumulative amortisation of income over the period of the contract.

Ind-AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
Ind AS 109	Financial Instruments - Provision for doubtful debts	Under Indian GAAP, provisions are made for specific receivables based on circumstances such as. Credit default of customer or disputes with customers. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	In addition to the specific provisions under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: • an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; • the time value of money; and • reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.
Ind AS 110/111	Subsidiary v. Joint Arrangements	Under Indian GAAP, a company is treated as a subsidiary company if the parent is holding more than 50% of the equity/voting rights during the year. Accordingly, the financial statements of the parent and its subsidiaries are consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses.	An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Joint arrangement is an arrangement in which two or more parties have joint control. Joint control is contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Based on legal form of separate vehicle, terms of contractual agreement and other facts, joint arrangement shall be classified either into joint venture or joint operation. In case of joint venture, equity method in accordance with Ind AS 28 is applied at the time of consolidation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Statements beginning on page 142, prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 142. Unless otherwise stated, the financial information used in this section is derived from the Restated Consolidated Financial Statements.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this RHP, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section "Risk Factors" on page 15.

In this section, unless the context otherwise requires, a reference to "we", "us", "our" or "the Company" is a reference to our Company.

Overview

We are one of the leading organised retailers of home improvement and building products in India based on number of stores, operating under the trade name *Shankara BuildPro (Source: CRISIL Report)*. As on December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India. We cater to a large customer base across various end-user segments in urban and semi-urban markets through our multi-channel sales approach, processing facilities, supply chain and logistics capabilities.

Our retail operations are strategically suited to benefit from growth in housing demand, large market for home improvement, and increasing customer involvement in home solution decisions which have created a need for organized speciality home improvement and building product stores. Our growth is further driven by our ability to make available an assortment of quality products under a trusted corporate brand built over two decades. Our staff creates awareness about products and applications, and guide customers' purchase decisions. We also provide delivery and facilitate installation services for select product categories.

We serve home owners, professional customers (such as architects and contractors), and small enterprises, through our retail stores. Additionally, in the semi urban markets, we also cater to specific agricultural requirements of individual customers and small enterprises. Under retail operations, we offer a comprehensive range of products at our stores, including structural steel, cement, TMT bars, hollow blocks, pipes and tubes, roofing solutions, welding accessories, primers, solar heaters, plumbing, tiles, sanitary ware, water tanks, plywood, kitchen sinks, lighting and other allied products. We carry reputed third party brands such as Johnson, Sintex, Uttam Galva, Uttam Value, Futura, APL Apollo, Astral Pipes and Alstone and our own brands such as CenturyRoof, Ganga and Loha at our retail stores. During the nine months period ended December 31, 2016 and Fiscal 2016, our revenue from retail sales was ₹7,157.13 million and ₹8,077.56 million, respectively, which contributed 41.86% and 39.68% of our total sales as of December 31, 2016 and Fiscal 2016, respectively. The revenue from retail sales in Fiscal 2016 represented a CAGR of 28.67% as compared to our revenue from retail sales in Fiscal 2012, being ₹2,947.20 million. The balance revenue during the nine months period ended December 31, 2016 and during Fiscal 2016 comprised of enterprise sales, contributing 33.35% and 32.20%, respectively, and channel sales contributing 24.79% and 28.13%, respectively, of our total revenue.

Our enterprise sales caters primarily to large end-users, contractors, and OEMs, while the channel sales caters to dealers and other retailers through our extensive branch network. In these operations we primarily offer steel based products, such as structural steel, TMT bars, pipes and tubes and other allied steel products. Given the wide application of such building products, we are able to cater to multiple sectors, including, among others, housing, general engineering, automotive, renewable energy, agriculture, construction and infrastructure. We also provide customized solutions to our enterprise customers through our bespoke steel products such as bus bodies, scaffolding solutions and other allied products for select clients. During the nine months period ended December 31, 2016 and in Fiscal 2016, our revenue from enterprise sales was ₹5,701.19 million and ₹6,554.93 million, respectively, and revenue from channel sales was ₹4,239.19 million and ₹5,726.71 million, respectively. For the nine months period ended December 31, 2016 and for Fiscal 2016, our customer base is widely distributed and the top 10 customers accounted for 3.89% and 3.67%, respectively of our overall revenues.

We are backward integrated through our processing facilities in select building products like steel pipes, colour coated roofing sheets, bright rods, galvanized strips and cold rolled strips. We sell these products under our own brands like

CenturyRoof, Ganga, Loha, Taurus and Prince Galva through our retail and branch network. Our own processing facilities help us to offer customised solutions and meet quality standards as well as timely delivery requirements of our customers. As on December 31, 2016, we had 11 processing facilities having a total installed capacity of 323,200 MTPA operating at an average capacity utilization of 93.81% (annualized). In January 2017, we commenced production at our stainless steel pipes and tubes processing facility in Jigani, Bengaluru which has an installed capacity of 1,200 MTPA. These capacities can be scaled in a modular manner as per requirement.

To cater to our customers, we also have a robust logistics network which, as of December 31, 2016, consisted of 56 warehouses (29 operated by our Company, 23 operated by TVSPPL and 4 operated by CRIPL) aggregating 0.59 million sq. ft., and a fleet of 44 owned trucks to augment our last mile delivery. A large part of our warehousing backbone is owned which ensures stability of operations. It also helps in catering to the requirements of our retail outlets.

With an aim to offer a comprehensive range of products, we have expanded our product offerings and as of December 31, 2016, our product portfolio comprised of 19,230 SKUs. This has resulted in enhanced growth and profitability at the retail store level. As of December 31, 2016, our building products are marketed and sold through 103 retail stores, aggregating 0.37 million sq. ft. Our total number of retail stores has consistently grown from 43 in the end of Fiscal 2012 to 95 in the end of Fiscal 2016, evidencing a sq. ft. growth from 0.13 million to 0.32 million. For the nine months period ended December 31, 2016, we recorded ₹19,173 retail sales per square foot. From Fiscal 2012 to Fiscal 2016, our retail sales per square foot per annum increased from ₹23,452 to ₹25,003. From Fiscal 2012 to Fiscal 2016, our annual number of retail transactions increased from 97,639 to 395,697 thereby increasing our retail customer base, which is also evident from a decrease in average transaction size from ₹30,185 to ₹20,413. For Fiscals 2014, 2015 and 2016, our retail stores recorded same store sales growth of 13.25%, 24.19% and 28.29%, respectively.

Our Company was founded by our Promoter, Sukumar Srinivas, an alumnus of the Indian Institute of Management, Ahmedabad, and a first generation entrepreneur, currently having 33 years of experience in the building products industry.

Our revenue from operations, as per our Restated Consolidated Financial Statements for Fiscals 2014, 2015 and 2016, and for the nine months period ended December 31, 2016, was ₹19,271.04 million, ₹19,788.16 million, ₹20,359.20 million and ₹17,097.51 million, respectively and our net profit after tax, for Fiscals 2014, 2015 and 2016, the nine months period ended December 31, 2016, was ₹287.08 million, ₹225.77 million, ₹413.29 million and ₹415.46 million, respectively. We were ranked 200th among India's largest unlisted companies in terms of revenue, by Business Standard in the year 2015. Also, we were awarded the 'Emerging India Award' in the "Retail Trade" category, organized by ICICI Bank, CRISIL and CNBC TV 18 in the year 2005.

Our Business Revenue Segments

We have the following business segments through which we operate and derive revenues:

i) Retail sales; and

ii) Channel and enterprise sales.

Our revenue from operations (gross) was ₹20,055.14 million (net revenue from operations was ₹19,271.04 million), ₹20,892.40 million (net revenue from operations was ₹19,788.16 million), ₹21,614.64 million (net revenue from operations was ₹20,359.20 million) and ₹18,235.07 million (net revenue from operations was ₹17,097.51 million), for the Fiscal Years 2014, 2015, 2016 and for nine months period ended December 31, 2016, respectively. We recorded a profit after tax (after minority interest) of ₹287.08 million, ₹225.77 million, ₹413.29 million and ₹415.46 million in Fiscal Years 2014, 2015 and 2016 and in the nine months period ended December 31, 2016, respectively.

A significant portion of our revenues is derived from our retail sales. The table set forth below provides the segment-wise revenues and the segment results for the Fiscal Years, 2014, 2015, 2016 and the nine months period ended December 31, 2016.

Business	For the Financial Year						For the nine months period ended December 31, 2016	
	2014		2015		2016			
Segment Revenue								
	₹ millon	%	₹ millon	%	₹ millon	%	₹ millon	%
Retail sales	4,646.67	24.11	6,193.39	31.30	8,077.56	39.68	7,157.13	41.86
Enterprise sales	7,070.15	36.69	6,839.06	34.56	6,554.93	32.20	5,701.19	33.35
Channel sales	7,554.22	39.20	6,755.71	34.14	5,726.71	28.13	4,239.19	24.79
Total	**19,271.04**	**100.00**	**19,788.16**	**100.00**	**20,359.20**	**100.00**	**17,097.51**	**100.00**

Factors affecting our results of operations

Number and location of our retail stores and continued expansion of our network

Our retail sales contributed a significant portion of our revenue from operations (net), constituting 24.11%, 31.30% and 39.68% and 41.86% of our total revenues for Fiscal Years 2014, 2015, 2016 and for the nine months period ended December 31, 2016, respectively. As such, our total revenues and our results of operations are largely dependent on the number of retail stores that we operate and their locations. The table below sets out details of our retail store network as at the end of the respective periods:

State/Union Territory	For the Fiscal			For the nine months period ended December 31, 2016
	2014	2015	2016	
Andhra Pradesh	6	8	8	8
Goa	3	4	5	5
Gujarat	3	4	3	3
Karnataka	26	36	40	43
Kerala	11	13	14	15
Maharashtra	3	2	2	2
Odisha	2	2	2	3
Tamil Nadu	9	9	9	10
Telangana	7	9	11	13
Puducherry	1	1	1	1
Total	**71**	**88**	**95**	**103**

As of December 31, 2016, we operated 103 *Shankara BuildPro* stores spread across 9 states and 1 union territory in India, with a majority situated in the South and West regions of India. As of December 31, 2016, all of these retail stores are operated by us and the retail stores occupied a total area of approximately 0.37 million sq.ft. The table set forth below sets out the details of revenue contribution from retail stores across states for the periods indicated below:

State/Union Territory	For the Fiscal (₹ in million)			For the nine months period ended December 31, 2016 (₹ in million)	CAGR Fiscal 2014 to 2016 (%)
	2014	2015	2016		
Andhra Pradesh	419.95	561.85	741.90	763.95	32.91
Goa	50.74	106.49	322.90	275.12	152.27
Gujarat	220.23	233.09	251.98	143.04	6.97
Karnataka	2,313.23	3,542.68	4,538.82	3,733.94	40.08
Kerala	627.95	616.68	689.64	669.99	4.80
Maharashtra	199.48	247.85	215.04	150.28	3.83
Odisha	100.76	111.54	88.48	79.88	(6.29)
Tamil Nadu	382.16	384.32	558.40	530.85	20.88
Telangana	280.07	331.63	605.54	766.31	47.04
Puducherry	52.10	57.26	64.86	43.77	11.58
Total	**4,646.67**	**6,193.39**	**8,077.56**	**7,157.13**	**31.85**

In order to address the growing demand for home building and home improvement products, we continue to seek to expand our retail store network. New retail stores are accretive to our revenue and will help us increase our geographical coverage and reach new customers. We plan to expand our presence across Tier-I Cities, Tier-II Cities and Tier-III Cities in India that we believe have growth potential for our business and to tap into the increasing demand for home building and home improvement products in these geographies. The table set forth below indicates certain key metrics in relation of our retail network across Tier-I Cities, Tier-II Cities and Tier-III Cities in India:

Metrics	For the Fiscal			For the nine months period ended December 31, 2016
	2014	2015	2016	
Tier-I Cities				
Number of stores	23	25	28	30
Revenue (₹ in million)	1,802.40	2,443.90	2,970.60	2,593.99
Revenue per retail store (₹ in million)	78.37	97.76	106.09	86.47
Revenue per sq.ft. (₹)	20,382	25,511	27,614	24,851
Tier-II Cities				
Number of stores	27	31	30	30
Revenue (₹ in million)	1,395.10	1,563.60	2,101.54	1,721.56
Revenue per retail store (₹ in million)	51.67	50.44	70.05	57.39
Revenue per sq.ft. (₹)	19,005	16,886	21,994	16,345
Tier-III Cities				
Number of stores	21	32	37	43
Revenue (₹ in million)	1,449.17	2,185.93	3,005.46	2,841.58

Metrics	For the Fiscal			For the nine months period ended December 31, 2016
	2014	2015	2016	
Revenue per retail store (₹ in million)	69.01	68.31	81.23	66.08
Revenue per sq.ft. (₹)	23,361	21,276	25,057	17,370

The intended expansion of footprint will depend on our ability to identify suitable locations for setting up our stores, which would depend on various demographic factors, such as disposable income and customer spending, concentration of our key customer profiles, upcoming construction developments in the nearby areas and proximity to our distribution network. Additionally, we would also focus on building strategic relationships and strengthening our existing relationships with suppliers and manufacturers of home building products to ensure expansion of the product categories and more brands in the existing product categories.

Performance of our retail store operations

We monitor the productivity of our retail stores based on the key performance parameter, including SSSG. We constantly endeavour to expand our product range by obtaining customer feedbacks and market surveys for understanding customer preferences. We believe that providing a wider product range enables us to expand our brand recognition and expand our customer base, thereby helping us in improving productivity margins for each store. Our product offering, has grown from 39 products in Fiscal 2014 to 53 products in Fiscal 2016 and to 74 during the nine months period ended December 31, 2016, and the number of third party brands have grown from 15 in Fiscal 2012 to 46 in Fiscal 2016 and to 68 during the nine months period ended December 31, 2016. Most of our key performance parameters have shown an increasing trend in the past. The table below sets forth certain key performance parameters in relation to our retail stores:

Particulars	For the Fiscal			As at December 31
	2014	2015	2016	2016
Same store sales growth	13.25%	24.19%	28.29%	-
Number of retail transactions	225,375	319,935	395,697	311,585
Revenue per transaction (₹)	20,617	19,358	20,413	22,970
Revenue per sq.ft. (₹)	20,756	21,273	25,003	19,173
Segment Results per sq.ft. (₹)*	975	1,582	2,400	1,883

** Segment results represents earnings before unallocated corporate expenses, interest, tax, depreciation and amortisation*

In addition to the key performance parameters listed above, we constantly monitor our inventory and working capital cycles in order to ensure optimum utilization of the resources. The table below sets forth the trend of our inventory days trend for last seven quarters in relation to our retail stores:

Particulars	June 30, 2015	September 30, 2015	December 31, 2015	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Inventory days	33	33	32	35	36	33	33

Further, we have recently focussed on introducing new product categories across our retail stores which we believe give us higher margin returns, including lighting, sanitary ware and tiles. We have been able to reach to a broader base of retail customers, which is evident from a reduction in average transaction value. As of December 31, 2016, our product range has increased from 7,401 SKUs, in Fiscal 2014 to 19,230 SKUs in Fiscal 2016.

Performance of the housing market and the construction industry

Our retail operations are strategically suited to benefit from growth in housing demand. The increasing focus of the government on sustainable and inclusive development and the increasing spending on infrastructure has provided impetus to the housing demand across various cities in India. For further details in relation to our industry, see "*Industry Overview*" on page 78. We believe that growing urbanisation has created a need for organized speciality home improvement and building product stores for meeting the diverse home improvements needs of the customers. There are branded manufacturers of building materials, who offer only in-house brands at their stores. We believe that our wide product range comprising of own and other third party suppliers, customisation abilities, integrated logistics network and a wide geographical reach positions us as a preferred organized speciality home improvement and building product store.

Extent of backward integration

Backward integration of our operations i.e. our processing capabilities, is a key contributor to our results of operations. We seek to expand our range of products that we process and sell through our retail, enterprise and channel operations, as we believe that this enables us to capture margins across the value chain. Additionally, our backward integration and processing facilities enables us to provide customized solutions to our customers which we believe leads to repeat orders, as well as possibility of higher margins for such customized solutions.

We procure raw materials for our processing facilities. The cost of materials consumed was ₹5,952.29 million, ₹7,628.47 million,₹7,990.53 million and ₹7,687.98 million, representing 30.87%, 38.53%, 39.24% and 44.96%, of our total revenue in Fiscals 2014, 2015 and 2016 and for the nine months for the period ended December 31, 2016, respectively. Steel flat products account for the largest expenditure under the raw material category. While we have an annual contract with one of our key suppliers, under which we have a volume commitment for a portion of our raw material requirements, we typically do not have fixed-price, long-term contracts for the purchase of key raw materials, and instead procure these from the spot market on the basis of our requirements. Our cost of materials consumed is therefore subject to variations in the market price of our key raw materials and is also determined by our ability to accurately forecast our requirements.

As of March 31, 2014, 2015, 2016 and for the nine months period ended December 31, 2016, we had asset turnover ratio (calculated as total revenue divided by net block of assets) of 12.04, 10.38, 9.29 and 7.10, respectively.

Working capital management

Our working capital management efficiency plays a key role in determining our capital efficiency and profitability across all segments of our business. As of March 31, 2014, 2015, 2016, and for the nine months period ended December 31, 2016, we had trade payables of ₹1,210.60 million, ₹1,380.71 million,₹2,338.11 million and ₹1,895.89 million, inventories of ₹2,212.26 million, ₹2,320.68 million, ₹2,558.77 million and ₹2,901.99 million, and trade receivables (current) of ₹2,496.54 million, ₹2,598.22 million,₹2,810.39 million and ₹2,910.62 million, respectively.

Our ability to successfully manage our working capital will depend on accurately predicting inventory requirements across our segment of operations, as well as managing our debtors days and creditor days. Successfully anticipating inventory requirements will enable us to cater to our customer requirements in a timely manner, while reducing our debtor days will improve our cash flow cycle and enable us to redeploy working capital in an efficient manner. As of March 31, 2014, 2015, 2016 and for the nine months period ended December 31, 2016, we had debtor days of 47, 48, 50 and 47, and creditor days of 23, 25, 42 and 30, respectively.

Lease rental agreements

Most of our retail stores are situated on leased premises, and in addition certain of our warehousing facilities and production facilities are also situated on leased premises. Our rent expenses were ₹56.05 million, ₹68.18 million, ₹72.70 million and ₹66.31 million, representing 0.29%, 0.34%, 0.36% and 0.39% of our total revenue in Fiscals 2014, 2015, 2016 and for the nine months period ended December 31, 2016, respectively. Typically, we enter into lease arrangements of an average period of approximately three years, and have suitable provision in such arrangements for renewal of the term of the lease period. Our rent expense is generally affected by the availability of suitable locations and has been increasing in-line with macro-economic trends in India. The continued availability of suitable locations and premises for our retail stores, at commercially viable terms, will directly impact our ability to expand our retail store network in the manner that we plan. For further details of our store planning and set-up process, see "*Our Business*" on page 96. The average lease cost for our leased retail outlets was ₹15.97 per sq.ft. per month for Fiscal 2016 and ₹15.99 for the nine months period ended December 31, 2016. Our total retail lease expenses formed 0.50%, 0.68%, 0.57% and 0.57% of the total retail revenues for Fiscal 2014, Fiscal 2015, Fiscal 2016 and for the nine months period ended December 31, 2016.

Competition

We operate in a competitive retail landscape and face competition in each of our product categories from established standalone stores in the organised sector as well as fragmented, unorganised hardware stores. We believe that the wide range of product offerings from various third party brands at our stores differentiates us significantly from both manufacturers driven organised stores, which typically offer only a single brand, and unorganised hardware stores, which do not match the breadth of our product offering. We believe that this wide product offering through our large network of retail stores, supported by our integrated logistics and warehousing capabilities, wide distribution network, in-house processing units, efficient quality control systems and a corporatized setup gives us a competitive advantage in this space.

Economic conditions in India

The growth of our retail and processing facilities are generally dependent on the growth of the construction industry and demand for housing in India. Demand for the construction industry is dependent on the increasing disposable income of the various strata of consumers. The growth of the disposable income and the consumer segment is dependent on the growth of the overall Indian economy. As the Indian economy grows, living standards, per capita income and purchasing power improve, it is expected that domestic consumption will increase, especially boosted by the Seventh Pay Commission recommendations as well as the impact of interest rate reductions *(Source: CRISIL Report)*. In addition, more consumers will have sufficient disposable income to be able to purchase our products and existing customers will be able to spend more on our products, both of which potentially increase the size of our market and demand for our products.

We believe that economic growth, increasing urbanization and higher disposable incomes in India will continue to drive revenue growth. Conversely, slower economic growth may lead to slower growth or even decline in our revenue. During periods of economic uncertainty, particularly where the disposable income of consumers is affected, consumers may generally switch to other cheaper alternatives.

Regulatory developments

The business operations are subject to complex laws and regulations, which vary from state to state in India and are subject to change. Changes in laws or government regulations may result in imposition of new or additional licensing or tax requirements that could reduce our revenues and earnings. Alternatively, any reforms in the regulatory environment in relation to the retail and processing facility operations can help us expand our market reach and have a favorable effect on our result of operations.

The passing of the Real Estate (Regulation and Development) Act, 2016 earlier this year is expected to result in enhanced transparency in the real estate sector, boosting customer confidence and leading to an increase in demand for residential real estate *(Source: CRISIL Report*). In addition, the government has undertaken other programs to boost housing in India, including:

- Housing for All by 2022, or Pradhan Mantri Awas Yojana;
- Smart Cities project;
- Atal Mission for Rejuvenation and Urban Transformation; and
- Indira Awaas Yojana.

These various government projects cater to expected growth of urban populations in India and are expected to address the severe shortage of urban housing, leading to a significant demand for our products.

Significant accounting policies

Our critical 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 dedicated by applicable accounting policies with no need for the application of our judgment. In certain circumstances, however, the preparation of financial statements in conformity with applicable accounting principles 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 revenues 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. We believe that our critical accounting estimates are those described below.

Basis of consolidation

The consolidated financial statements of Shankara Building Products Limited ('the company'), its subsidiaries Vishal Precision Steel Tubes & Strips Private Limited, Taurus Value Steel & Pipes Private Limited, Steel Network Holdings Pte Limited, Centurywells Roofing India Private Limited are prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" as specified in section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014

b) the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements

c) For the purposes of consolidation, the audited financial statements of the following companies have been considered:
   i) Shankara Building Products Limited (Holding Company)
   ii) Vishal Precision Steel Tubes & Strips Private Limited (Subsidiary Company)
   iii) Taurus Value Steel & Pipes Private Limited (Subsidiary Company)
   iv) Steel Network Holdings Pte Ltd (Subsidiary Company)
   v) Centurywells Roofing India Private Limited (Step-down subsidiary through Steel Network Holdings Pte Limited)

d) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of subsidiaries is recognized in the financial statements as goodwill or capital reserve as the case may be.

e) Enterprises which are considered in consolidation:

Name of the Entity	Country of Incorporation	% Holding (including indirect holding) as of March 31,					% Holding (including indirect holding) as of December 31, 2016
		2012	2013	2014	2015	2016	
Direct Subsidiary:							
Vishal Precision Steel Tubes & Strips Private Limited	India	69.98%	99.89%	99.89%	99.89%	99.89%	99.89%
Taurus Value Steel & Pipes Private Limited	India	-	-	100.00%	100.00%	100.00%	100.00%
Steel Network Holdings Pte Limited	Singapore	-	-	100.00%	100.00%	100.00%	100.00%
Step Down Subsidiary:							
Centurywells Roofing India Private Limited	India	-	-	100.00%	100.00%	100.00%	100.00%

f) Minority interest's share of net profits of Subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

g) Minority interest's share of net assets of consolidated subsidiary has been identified and presented in the consolidated balance sheet from liabilities and the equity of the Company's shareholders.

Measurement of EBITDA

The Company has elected to present EBITDA as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

Tangible fixed assets and depreciation

Tangible fixed assets are depreciated over their useful lives. The useful life of an asset is the period over which an asset is expected to be available for use by the Company. The useful lives of tangible assets as specified in Part C of Schedule II to the Companies Act 2013 has been adopted. If the management's estimate of the useful life of a tangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule/ useful life, depreciation is provided based on the management's estimate of the useful life/remaining useful life. In such cases, the difference is appropriately disclosed.

Depreciation on fixed assets is provided on Straight Line Method and individual assets costing less than Rs.5,000/- each are depreciated fully during the year of purchase.

Leases

Where the company is lessor

Leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

Where the company is lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line

basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Revenue Recognition

Sales revenues are accounted on delivery of goods. Such delivery is reckoned upon acknowledgement of receipts of goods by the transporter for delivery.

Other Income is recognized on accrual with due consideration for significant uncertainty if any in the realization of such income.

Inventories

Closing Stock of inventories are valued at lower of cost determined on FIFO basis or net realizable value. Cost includes inward freight and applicable taxes not eligible for credit.

All items of Stock which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

Employee Benefits

The liability for gratuity, considered as defined benefit is determined on the basis of actuarial valuation at the end of the year using projected unit credit method. Actuarial gains and losses which comprise experience adjustments and effect of change in actuarial assumptions are recognized in the statement of profit and loss.

In respect of defined contribution plan the company makes the stipulated contributions in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.

Liabilities in respect of compensated absences are provided for in the year in which such benefit accrues net of encashment made.

Income tax

Taxes on income for the current year is determined on the basis of taxable income and after considering the various deduction available under the Income Tax, 1961.

Deferred Tax Asset/Liability resulting from timing differences between the book profits and Income for tax purpose is accounted for at the appropriate tax rate. Deferred tax asset are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of the respective carrying amount at each balance sheet date. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Provision, contingent liabilities and contingent assets

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

Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. For the purpose of

calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Borrowing costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as part of the asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the statement of profit and loss.

Segment reporting

The company identifies business segment as the primary segment as per AS-17. Under the primary segment, there are two reportable segments viz., 1) Retail Sales, and 2) Channel and enterprise sales. These are identified considering the nature of the products, the differing risks and returns and their contribution to company's sales and revenue profits. The valuation of inter segment transfers are based on the comparable market prices of the transferring segment.

The company caters mainly to the needs of the domestic market and thus there are no reportable geographical segments.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses.

The company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

Principle components of income and expenditure

Income

Revenue from operations

Our revenue from operations (gross) comprises:

(a) revenues from retail sales; and

(b) revenues from channel sales and enterprise sales;

Other income

Other income primarily includes interest income, profit/ loss on sale of asset, rental income and other miscellaneous income.

Expenses

Total expenses includes (i) cost of materials consumed, (ii) purchases of stock-in-trade, (iii) employee benefits expense, (iv) changes in inventories of finished goods, work-in-progress and stock-in-trade and (v) other expenses.

Cost of materials consumed

Cost of materials consumed represents the cost of the materials consumed in the processing business.

Purchases of stock-in-trade

Cost of purchases of stock represents the cost of products purchased for conducting operations.

Changes in inventory of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods and work-in-progress represent the difference between the opening and closing stock of finished goods and work-in-progress relating to our processing business.

Employee benefits expense

Employee benefits expense includes salaries and wages, bonus and exgratia to staff, contribution to statutory funds, such as provident fund and employee state insurance fund, and staff welfare expenses relating to our employees.

Other Expenses

Other expenses includes power and fuel, consumption of stores and spares, rent expenses, repairs, freight charges and miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particular	Fiscal						Nine months period ended December 31	
	2014		2015		2016		2016	
	(₹ In million)	Percentage of total revenue (%)	(₹ In million)	Percentage of total revenue	(₹ In million)	Percentage of total revenue	(₹ In million)	Percentage of total revenue
Income								
Revenue from Operations (Gross)	20,055.14		20,892.40		21,614.64		18,235.07	
Less: Excise duty	784.10		1,104.24		1,255.44		1,137.56	
Revenue from Operations (Net)	19,271.04	99.96	19,788.16	99.96	20,359.20	99.97	17,097.51	99.99
Other income	8.22	0.04	8.49	0.04	6.62	0.03	1.38	0.01
Total Revenue	**19,279.26**	**100.00**	**19,796.65**	**100.00**	**20,365.82**	**100.00**	**17,098.89**	**100.00**
Expenses								
Cost of materials consumed	5,952.29	30.87	7,628.47	38.53	7,990.53	39.24	7,687.98	44.96
Purchases of Stock-in-Trade	11,615.64	60.25	10,021.18	50.62	9,851.09	48.37	7,309.99	42.75
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(203.74)	(1.06)	(69.90)	(0.35)	(169.94)	(0.83)	(282.64)	(1.65)
Employee benefits expense	263.99	1.37	350.11	1.77	412.87	2.03	367.63	2.15
Other expenses	756.91	3.93	963.05	4.86	1,077.13	5.29	926.67	5.42
Total Expenses	**18,385.09**	**95.36**	**18,892.91**	**95.43**	**19,161.68**	**94.09**	**16,009.63**	**93.63**
Restated earnings before interest, tax, depreciation and amortization (EBITDA)	894.17	4.64	903.74	4.57	1,204.14	5.91	1,089.26	6.37
Depreciation and amortization expense	57.60	0.30	88.07	0.44	95.14	0.47	85.02	0.50
Finance costs	416.44	2.16	470.30	2.38	459.71	2.26	374.53	2.19
Restated Profit before tax	**420.13**	**2.18**	**345.37**	**1.74**	**649.29**	**3.19**	**629.71**	**3.68**
Tax expense								
Current tax	117.58	0.61	94.15	0.48	201.93	0.99	193.65	1.13
Add/(Less) MAT Credit	(2.31)	(0.01)	2.31	0.01	-	-	-	-
Deferred tax	17.75	0.09	23.09	0.12	33.99	0.17	20.50	0.12
	133.02	**0.69**	**119.55**	**0.60**	**235.92**	**1.16**	**214.15**	**1.25**
Restated Profit after tax before Minority interest	**287.11**	**1.49**	**225.82**	**1.14**	**413.37**	**2.03**	**415.56**	**2.43**
Minority Interest	(0.03)	0.00	(0.05)	0.00	(0.08)	(0.00)	(0.10)	(0.00)
Restated Profit for the year/period	**287.08**	**1.49**	**225.77**	**1.14**	**413.29**	**2.03**	**415.46**	**2.43**

Nine months period ended December 31, 2016

Revenues

Our total revenues for the nine months period ended December 31, 2016 amounted to ₹17,098.89 million consisting of revenue from operations (net) and other income.

Revenue from operations (net)

Our revenue from operations (net) for the nine months period ended December 31, 2016 amounted to ₹17,097.51 million, consisting of revenue from retail, channel and enterprise sales of ₹7,157.13 million, ₹4,239.19 million and ₹5,701.19 million, respectively.

Other income

Our other income for the nine months period ended December 31, 2016 amounted to ₹1.38 million primarily consisting of interest income of ₹0.96 million, rent income of ₹0.14 million and miscellaneous income of ₹0.28 million.

Expenses

Cost of materials consumed

Our cost of materials consumed for the nine months period ended December 31, 2016 amounted to ₹7,687.98 million, primarily consisting of purchase of raw materials corresponding to the increased demand of our processed products during this period.

Purchases of stock-in-trade

Our purchases of stock in trade for the nine months period ended December 31, 2016 stood at ₹7,309.99 million.

Changes in inventory of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade for the nine months period ended December 31, 2016 stood at ₹(282.64) million.

Employee benefits expense

Employee benefits expense for the nine months period ended December 31, 2016 amounted to ₹367.63 million, primarily comprising of salaries and wages of ₹274.84 million, remuneration to directors of ₹13.15 million and bonus to staff & exgratia of ₹26.70 million, staff labour stipend of ₹14.97 million and contribution for provident fund of ₹14.46 million.

Other expenses

Our other expenses for the nine months period ended December 31, 2016 amounted to ₹926.67 million, primarily comprising of consumption of stores & spares of ₹300.51 million, freight charges of ₹202.55 million and power & fuel charges of ₹99.13 million, as well as rent expenses of ₹66.31 million.

Depreciation and amortization expense

Our depreciation and amortization expense for the nine months period ended December 31, 2016 amounted to ₹85.02 million.

Finance cost

Our finance cost for the nine months period ended December 31, 2016 amounted to ₹374.53 million, comprising of interest expense of ₹345.49 million, other borrowing costs of ₹23.84 and interest on income tax of ₹5.20 million.

Tax expense

Tax expenses for the nine months period ended December 31, 2016 amounted to ₹214.15 million, primarily comprising of current tax of ₹193.65 million and deferred tax of ₹20.50 million.

Restated profit after tax before minority interest

As a result of the foregoing, our restated profit after tax before minority interest for the nine months period ended December 31, 2016 amounted to ₹415.56 million.

Minority interest

Our minority interest in the profit of the subsidiaries for the nine months period ended December 31, 2016 amounted to ₹(0.10) million.

Restated profit for the year

Our net profit after tax for the nine months period ended December 31, 2016 amounted to ₹415.46 million.

Fiscal 2016 compared to Fiscal 2015

Revenues

Our total revenue increased by ₹569.17 million, or 2.88%, to ₹20,365.82 million in Fiscal 2016 from ₹19,796.65 million in Fiscal 2015, primarily due to an increase in revenues from sales of our products through our retail operations during this period.

Revenue from operations (net)

Our revenue from operations (net) increased by ₹571.04 million, or 2.89%, to ₹20,359.20 million in Fiscal 2016 from ₹19,788.16 million in Fiscal 2015, primarily due to an increase in revenues from our retail stores during this period which includes an increase in sale of our processed products.

Other income

Our other income reduced by ₹1.87 million, or 22.03%, to ₹6.62 million in Fiscal 2016 from ₹8.49 million in Fiscal 2015, primarily due to a decrease in miscellaneous income to ₹2.85 million in Fiscal 2016 from ₹7.25 million in Fiscal 2015, partially offset by an increase in interest income to ₹3.27 million in Fiscal 2016 from ₹ 0.26 million in Fiscal 2015.

Expenses

Cost of materials consumed

Our cost of raw materials consumed increased by ₹362.06 million, or 4.75%, to ₹7,990.53 million in Fiscal 2016 from ₹7,628.47 million in Fiscal 2015, primarily due to increased purchase of materials of ₹8,064.05 million in Fiscal 2016 as compared to the purchase of materials of ₹7,653.51 million in Fiscal 2015, corresponding to the increase in demand for our processed products during this period, partially offset by more efficient inventory management.

Purchases of stock-in-trade

Our purchases of stock-in-trade decreased by ₹170.09 million, or 1.70%, to ₹9,851.09 million in Fiscal 2016 from ₹10,021.18 million in Fiscal 2015, primarily due to an increase in sales of our processed products during this period.

Changes in inventory of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade stood at ₹(169.94) million in Fiscal 2016 as compared to ₹(69.89) million in Fiscal 2015. This corresponds to increase in closing stock in trade during this period, owing to increase in number of products offered and sold through retail operations.

Employee benefits expense

Employee benefits expense increased by ₹62.76 million, or 17.93%, to ₹412.87 million in Fiscal 2016 from ₹350.11 million in Fiscal 2015, primarily due to: (i) increase in salaries and wages to ₹313.49 million in Fiscal 2016 from ₹263.47 million in Fiscal 2015, (ii) increase in bonus to staff & exgratia payments to ₹30.35 million in Fiscal 2016 from ₹25.95 million in Fiscal 2015; and (iii) increase in staff labour stipend to ₹14.63 million in Fiscal 2016 from ₹9.77 million in Fiscal 2015. This increase was primarily due to annual increments in salaries and wages, bonus and ex gratia payments, coupled with an increase in number of employees during this period.

Other expenses

Other expenses increased by ₹114.08 million, or 11.85%, to ₹1,077.13 million in Fiscal 2016 from ₹963.05 million in Fiscal 2015, primarily due to: (i) increase in freight charges to ₹234.17 million in Fiscal 2016 from ₹183.91 million in Fiscal 2015, (ii) increase in power & fuel charges to ₹111.40 million in Fiscal 2016 from ₹95.50 million in Fiscal 2015, (iii) increase in consumption of stores and spares to ₹382.61 million in Fiscal 2016 from ₹355.96 million in Fiscal 2015; and (iv) increase in coolie charges to ₹70.54 million in Fiscal 2016 from ₹56.01 million in Fiscal 2015.

Depreciation and amortization expense

Our depreciation and amortization expense increased by ₹7.07 million, or 8.03%, to ₹95.14 million in Fiscal 2016 from ₹88.07 million in Fiscal 2015, primarily due to capital expenditure incurred in relation to certain of our processing facilities during this period.

Finance cost

Our finance costs decreased by ₹10.59 million, or 2.25%, to ₹459.71 million in Fiscal 2016 from ₹470.30 million in Fiscal 2015, primarily due to a decrease in our interest expense to ₹412.51 million in Fiscal 2016 from ₹455.61 million in Fiscal 2015 arising from a change in our mix of borrowings, partially offset by an increase in other borrowing costs to ₹36.36 million in Fiscal 2016 from ₹10.11 million in Fiscal 2015.

Tax expense

Our tax expense increased significantly by ₹116.37 million, or 97.34%, to ₹235.92 million in Fiscal 2016 from ₹119.55 million in Fiscal 2015, primarily due to increase in current tax to ₹201.93 million in Fiscal 2016 from ₹94.15 million in

Fiscal 2015 and increase in deferred tax to ₹33.99 million in Fiscal 2016 from ₹23.09 million in Fiscal 2015, which was owing to the increase in our profitability during this period.

Restated profit after tax before minority interest

Our restated profit after tax before minority interest, increased significantly by ₹187.55 million, or 83.05%, to ₹413.37 million in Fiscal 2016 from ₹225.82 million in Fiscal 2015.

Minority interest

Our minority interest in the profit of the subsidiaries increased by ₹0.03 million, or 60.00%, to ₹0.08 million in Fiscal 2016 from ₹0.05 million in Fiscal 2015.

Restated profit for the year

For the reasons discussed above, our net profit after tax increased by ₹187.52 million, or 83.06%, to ₹413.29 million in Fiscal 2016 from ₹225.77 million in Fiscal 2015.

Fiscal 2015 compared to Fiscal 2014

Revenues

Our total revenue increased by ₹517.39 million, or 2.68%, to ₹19,796.65 million in Fiscal 2015 from ₹19,279.26 million in Fiscal 2014, primarily due to an increase in revenues from sales of our products through retail stores during this period.

Revenue from operations (net)

Our revenue from operations (net) increased by ₹517.12 million, or 2.68%, to ₹19,788.16 million in Fiscal 2015 from ₹19,271.04 million in Fiscal 2014, primarily due to an increase in revenues from our retail stores during this period which includes increase in sales of our processed products.

Other income

Our other income increased by ₹0.27 million, or 3.28%, to ₹8.49 million in Fiscal 2015 from ₹8.22 million in Fiscal 2014, primarily due to an increase in miscellaneous income to ₹7.25 million in Fiscal 2015 from ₹4.62 million in Fiscal 2014, partially offset by a decrease in interest income to ₹0.26 million in Fiscal 2015 from ₹2.63 million in Fiscal 2014.

Expenses

Cost of materials consumed

Our cost of materials consumed increased by ₹1,676.18 million, or 28.16%, to ₹7,628.47 million in Fiscal 2015 from ₹5,952.29 million in Fiscal 2014, primarily due to an increased purchase of materials of ₹7,653.51 million in Fiscal 2015 from ₹6,056.09 million in Fiscal 2014, corresponding to the increase in demand for our processed products during this period.

Purchases of stock-in-trade

Our purchases of stock-in-trade decreased by ₹1,594.46 million, or 13.73%, to ₹10,021.18 million in Fiscal 2015 from ₹11,615.64 million in Fiscal 2014, primarily due to an increase in sales of our processed products during this period.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade stood at ₹(69.90) million in Fiscal 2015 as compared to ₹(203.74) million in Fiscal 2014. This corresponds to increase in stock in trade during this period, owing to increase in number of products offered and sold through retail operations.

Employee benefit expense

Employee benefits expense increased by ₹86.12 million, or 32.62%, to ₹350.11 million in Fiscal 2015 from ₹263.99 million in Fiscal 2014, primarily due to (i) increase in salaries and wages to ₹263.47 million in Fiscal 2015 from ₹183.21 million in Fiscal 2014, (ii) increase in bonus to staff & exgratia payments to ₹25.95 million in Fiscal 2015 from ₹19.99 million in Fiscal 2014, This was partially offset by a decrease in staff labour stipend to ₹9.77 million in Fiscal 2015 from ₹16.15 million in Fiscal 2014.

Other expenses

Other expenses increased by ₹206.14 million, or 27.23%, to ₹963.05 million in Fiscal 2015 from ₹756.91 million in Fiscal 2014, primarily due to: (i) an increase in freight charges to ₹183.91 million in Fiscal 2015 from ₹108.72 million in Fiscal 2014, (ii) increase in power & fuel charges to ₹95.50 million in Fiscal 2015 from ₹84 million in Fiscal 2014; (iii) increase in consumption of stores and spares to ₹355.96 million in Fiscal 2015 from ₹210.52 million in Fiscal 2014; and (iv) increase in coolie charges to ₹56.01 million in Fiscal 2015 from ₹46.95 million in Fiscal 2014. This was partially offset by decrease in rates and taxes to ₹27.26 million in Fiscal 2015 from ₹77.21 million in Fiscal 2014.

Depreciation and amortization expenses

Our depreciation and amortization expense increased by ₹30.47 million, or 52.90%, to ₹88.07 million in Fiscal 2015 from ₹57.60 million in Fiscal 2014, primarily due to capital expenditure incurred in relation to certain of our processing facilities during this period.

Finance cost

Our finance costs increased by ₹53.86 million, or 12.93%, to ₹470.30 million in Fiscal 2015 from ₹416.44 million in Fiscal 2014, primarily due to an increase in interest expense to ₹455.61 million in Fiscal 2015 from ₹414.28 million in Fiscal 2014 owing to increase in applicable interest rates.

Tax expense

Our tax expense decreased by ₹13.47 million, or 10.13%, to ₹119.55 million in Fiscal 2015 from ₹133.02 million in Fiscal 2014, primarily due to decrease in current tax to ₹94.15 million in Fiscal 2015 from ₹117.58 million in Fiscal 2014 due to decrease in our profitability. This was partially offset by increase in deferred tax to ₹23.09 million in Fiscal 2015 from ₹17.75 million in Fiscal 2014 during this period.

Restated profit after tax before minority interest

Our restated profit after tax before minority interest, reduced by ₹61.29 million, or 21.35%, to ₹225.82 million in Fiscal 2015 from ₹287.11 million in Fiscal 2014.

Minority interest

Our minority share in the profit of the subsidiaries increased by ₹0.02 million, or 66.67%, to ₹0.05 million in Fiscal 2015 from ₹0.03 million in Fiscal 2014.

Restated profit for the year

For the reasons discussed above, our net profit after tax, as restated, decreased by ₹61.31 million, or 21.36%, to ₹225.77 million in Fiscal 2015 from ₹287.08 million in Fiscal 2014.

Liquidity and Capital Resources

Historically, we have maintained liquidity for our business operations primarily from the cash generated from operations, bank borrowings and issuance of shareholders equity. As of Fiscal 2016, we had cash and bank balances available for use in our operations of ₹23.72 million (including margin money). Based upon our current level of expenditures, we believe our current working capital, together with cash flows from operating activities and the proceeds from the offering contemplated herein, will be adequate to meet our anticipated cash requirements for capital expenditures and working capital for at least the next 12 months.

Cash flows

(*₹ in million*)

Particulars	Fiscal			Nine months period ended December 31, 2016
	2014	2015	2016	
Net cash generated from/(used in) operating activities	641.58	796.08	1,594.82	86.58
Net cash generated from/(used in) investing activities	(395.66)	(395.38)	(378.62)	(299.64)
Net cash generated from/(used in) the financing activities	(256.25)	(403.32)	(1,215.81)	211.41
Net increase/(decrease) in cash and cash equivalents	(10.33)	(2.62)	0.39	(1.65)
Cash and cash equivalents at the beginning of period	**19.96**	**25.93**	**23.31**	23.70
On acquisition of subsidiary	16.30	-	-	-

Particulars	Fiscal			Nine months period ended December 31, 2016
	2014	2015	2016	
Cash and cash equivalents at the ending of the period	**25.93**	**23.31**	**23.70**	**22.05**

Operating Activities

Net cash generated from operating activities was ₹86.58 million for the nine months period ended December 31, 2016, primarily consisting of an operating profit of ₹1,083.81 million before working capital changes. The working capital adjustments primarily consisted of an increase in inventory of ₹343.22 million, trade receivables of ₹100.25 million, increase in loans and advances and other receivables of ₹30.80 million, and decrease in trade payables of ₹442.22 million, which was partially offset by an increase in provisions and other payables of ₹ 84.58 million.

Net cash generated from operating activities was ₹1,594.82 million in Fiscal 2016, primarily consisting of an operating profit of ₹1,192.52 million before working capital changes. The working capital adjustments primarily consisted of an increase in inventory of ₹238.09 million, trade receivables of ₹214.87 million, and an increase in loans and advances and other receivables of ₹4.75 million, which was offset by increase in trade payables of ₹957.40 million, an increase in provisions and other payables of ₹17.38 million. The increase in trade payables was largely due to renegotiation of payment terms with our suppliers during this period.

Net cash generated from operating activities was ₹796.08 million in Fiscal 2015, primarily consisting of an operating profit of ₹903.83 million before working capital changes. The working capital adjustments primarily consisted of increase in inventory of ₹108.42 million and trade receivables of ₹103.88 million, decrease in provisions and other payables of ₹14.03 million which was partially offset by an increase in trade payables of ₹170.11 million and, and decrease in loans and advances of ₹17.31 million.

Net cash generated from operating activities was ₹641.58 million in Fiscal 2014, primarily consisting of an operating profit of ₹886.37 million before working capital changes. The working capital adjustments primarily consisted of increase in inventory of ₹299.53 million primarily due to increase in our processing facilities and substantially scaling up of TVSPPL operations and decrease in provisions and other payables of ₹125.68 million, which was partially offset by decrease in trade receivables of ₹132.14 million, increase in trade payables of ₹131.97 million and decrease in loans and advances and other receivables of ₹40.73 million.

Investing Activities

Net cash used in investing activities was ₹299.64 million in the nine months period ended December 31, 2016, primarily on account of purchase of fixed assets of ₹303.04 million in relation to capital expenditure on processing facilities and supply chain capabilities, which was partially offset by proceeds from the sale of fixed assets amounting to ₹1.71 million and interest received of ₹1.69 million.

Net cash used in investing activities was ₹378.62 million in Fiscal 2016, primarily on account of payments for fixed assets of ₹381.94 million in relation to capital expenditure on processing facilities and supply chain capabilities, which was partially offset by sale proceeds from fixed assets amounting to ₹0.45 million and interest received of interest of ₹2.87million.

Net cash used in investing activities was ₹395.38 million in Fiscal 2015, primarily on account of payments for fixed assets of ₹415.21 million in relation to capital expenditure on processing facilities and supply chain capabilities, which was partially offset by sale proceeds from fixed assets amounting to ₹19.58 million and interest received of ₹0.25 million.

Net cash used in investing activities was ₹395.66 million in Fiscal 2014, primarily on account of payments for fixed assets of ₹294.15 million in relation to capital expenditure on processing facilities and supply chain capabilities, and acquisition of a subsidiary, CRIPL for an amount of ₹105.10 million, which was partially offset by sale proceeds from fixed assets amounting to ₹0.16 million, capitalisation of work-in-progress ₹1.10 million and interest received of ₹2.33 million.

Financing Activities

Net cash generated from financing activities was ₹211.41 million in the nine months period ended December 31, 2016, primarily on account of primarily on account of proceeds from long term loans of ₹20.10 million and proceeds from working capital loans of ₹550.12 million, which was partially offset by interest paid amounting to ₹352.09 million during this period.

Net cash used in financing activities was ₹1,215.81 million in Fiscal 2016, primarily on account of repayment of working capital loan of ₹ 705.66 million, interest paid of ₹450.01 million and dividend paid of ₹59.16 million.

Net cash used in financing activities was ₹403.32 million in Fiscal 2015, primarily on account of interest paid of ₹471.03 million and dividend paid of ₹25.22 million, which was partially offset by net proceeds from long term loans of ₹40.70 million and net proceeds from working capital loan of ₹52.23 million.

Net cash used in financing activities was ₹256.25 million in Fiscal 2014, primarily on account of interest paid of ₹412.99 million, repayment of public deposits of ₹3.81 million and dividend paid of ₹3.40 million, which was partially offset by net proceeds from long term loans of ₹26.84 million and net proceeds from working capital loan of ₹137.11 million

Indebtedness

As of December 31, 2016, we had long term borrowings (excluding current maturities) of ₹76.63 million and short term borrowings of ₹2,632.86 million.

Trade receivables

a) On consolidated basis

The details of the trade receivables of the Company from Fiscal 2012 to Fiscal 2016 as set out in the Restated Consolidated Financial Statements are provided below:

(₹ in million)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Revenue from operations (net)	14,137.03	17,665.58	19,271.04	19,788.16	20,359.20
Growth	-	25%	9%	3%	3%
Trade receivables	2,182.85	2,599.04	2,496.54	2,598.22	2,810.39
Change in trade receivables	540.14	416.09	(132.14)	103.88	214.87
Days of trade receivables with reference to revenue from operations (net)	56	54	47	48	50

The trend of increase or decrease in trade receivables is linked to the growth in revenue from operations of the Company. The overall revenue from operations on a consolidated basis has grown from ₹14,137.03 million in Fiscal 2012 to ₹20,359.20 million in Fiscal 2016. The absolute amount of trade receivables on a consolidated basis has grown in line with the revenue from operations from ₹2,182.85 million in Fiscal 2012 to ₹2,810.39 million in Fiscal 2016. Our number of days of trade receivables (computed as trade receivables/revenue *365), has improved from 56 days to 50 days due to efficient management of receivables over the period of five years. Further, since the revenue growth has declined over the last five Fiscals, to that extent the growth in trade receivables has been lower. During Fiscal 2015 to Fiscal 2016, as depicted above, the number of days of trade receivables has changed from 48 days to 50 days and is in line with the revenue on a consolidated basis for those Fiscals.

Details of customer base:

The Company's customer base is widely diversified and in Fiscal 2016, the top 10 customers accounted only for 3.67% of the consolidated revenues of the Company. Accordingly, the trade receivables of the Company are also widely diversified and in Fiscal 2016, the top 10 trade receivable accounts of the Company amounted only to 5.22% of the overall trade receivables in Fiscal 2016, on a consolidated basis. The breakup of receivables of the Company, on a consolidated basis for Fiscal 2015 and Fiscal 2016 is set forth below:

Receivables	Fiscal 2015		Fiscal 2016	
	(₹ in million)	% of total receivables	(₹ in million)	% of total receivables
Largest receivable account	55.30	2.13	49.25	1.75
Top 10 receivables accounts	158.73	6.11	146.57	5.22
Top 100 receivables accounts	638.17	24.56	596.96	21.24
Total receivables	**2,598.22**	**100.00**	**2,810.39**	**100.00**

b) On standalone basis

The details of the trade receivables of the Company from Fiscal 2012 to Fiscal 2016 as set out in the Restated Standalone Financial Statements are provided below:

(₹ in million)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Revenue from operations (net)	13,852.48	17,022.15	18,835.05	17,194.97	17,742.50
Growth	-	23%	11%	(9)%	3%
Trade receivables	2,074.18	2,441.80	2,195.51	2,235.15	2,356.19
Change in trade receivables & other assets	596.94	244.72	(12.75)	(606.91)	69.13

(₹ in million)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
of which:					
change in trade receivable	499.51	364.24	(238.00)	55.16	121.34
other assets	97.43	(119.52)	225.25	(662.07)	(52.21)
Days of trade receivables with reference to revenue from operations (net)	55	52	43	47	48

The trend of increase or decrease in trade receivables is linked to the growth in revenue from operations of the Company. The overall revenue from operations on a standalone basis has grown ₹13,852.48 million in Fiscal 2012 to ₹17,742.50 million in Fiscal 2016. The absolute amount of trade receivables on a standalone basis has grown in line with the revenue from operations from ₹2,074.18 million in Fiscal 2012 to ₹2,356.19 million in Fiscal 2016, though the number of days of trade receivables (computed as trade receivables/revenue *365) has improved from 55 days to 48 days due to efficient management of receivables over the period of five years. Further, since the revenue growth on a standalone basis has declined over the last five Fiscals, to that extent the growth in trade receivables has been lower. Further during Fiscal 2015 to Fiscal 2016, as depicted above, the number of days of trade receivables has changed from 47 days to 48 days and is in line with the revenue on a standalone basis of those years.

Details of customer base

The Company's customer base is widely diversified and in Fiscal 2016, the top 10 customers accounted only for 3.68% of the standalone revenues of the Company. Accordingly, the trade receivables of the Company are also widely diversified and in Fiscal 2016, the top 10 trade receivable accounts of the Company amounted only to 5.98% of the overall trade receivables in Fiscal 2016, on a standalone basis. The breakup of receivables of the Company, on a standalone basis for Fiscal 2015 and Fiscal 2016 is set forth below:

Receivables	Fiscal 2015		Fiscal 2016	
	₹ in million	% of total receivables	₹ in million	% of total receivables
Largest receivable account	55.30	2.47	49.25	2.09
Top 10 receivables accounts	156.59	7.01	141.03	5.98
Top 100 receivables accounts	578.27	25.87	544.05	23.09
Total receivables	**2,235.15**	**100.00**	**2,356.20**	**100.00**

Trade payables

a) On consolidated basis

The details of the trade payables of the Company from Fiscal 2012 to Fiscal 2016 as set out in the Restated Consolidated Financial Statements are provide below:

(₹ in million)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Revenue from operations (net)	14,137.03	17,665.58	19,271.04	19,788.16	20,359.20
Growth	-	25%	9%	3%	3%
Trade payables	717.43	1,078.63	1,210.60	1,380.71	2,338.11
Change in trade payables	(31.95)	361.20	131.97	170.11	957.40
Days of trade payables with reference to revenue from operations (net)	19	22	23	25	42

Depending on the products, we typically obtain credit terms of around 35 days from suppliers.

The absolute amount of trade payables on a consolidated basis has grown along with the revenue from operations from ₹717.43 million in Fiscal 2012 to ₹2,338.11 million in Fiscal 2016. The increase in trade payables over the last five Fiscals has largely been due to renegotiation of payment terms with the Company's suppliers during this period. Our number of days of trade payables (computed as trade payables/revenue *365) have also increased consistently from 19 days in Fiscal 2012 to 42 days in Fiscal 2016. Further, the number of days of trade payables increased from 25 days for Fiscal 2015 to 42 days for Fiscal 2016, primarily due to the increase in payables to the two major suppliers of our Company during this period.

The details of the major suppliers who have contributed to the aforesaid increase in trade payables in Fiscal 2016, on a consolidated basis are as follows:

Particulars	Trade payables in Fiscal 2015	Trade payables in Fiscal 2016	Increase from Fiscal 2015 To Fiscal 2016

Particulars	Trade payables in Fiscal 2015		Trade payables in Fiscal 2016		Increase from Fiscal 2015 To Fiscal 2016	
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total increase
APL Apollo Tubes	186.66	13.52	853.18	36.49	666.52	69.62
JSW Steel Limited	149.95	10.86	345.71	14.79	195.76	20.45
Total	**336.61**	**24.38**	**1,198.89**	**51.28**	**862.28**	**90.07**

b) On standalone basis

The details of the trade payables of the Company from Fiscal 2012 to Fiscal 2016 as set out in the Restated Standalone Financial Statements are provide below:

(₹ in million)	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Revenue from operations (net)	13,852.48	17,022.15	18,835.05	17,194.97	17,742.50
Growth	-	23%	11%	(9)%	3%
Trade payables	692.17	1,060.98	1,038.40	1,079.05	2,024.27
Change in trade payables & other liabilities	(8.41)	334.45	85.81	29.76	997.94
of which:					
change in trade payables	(36.43)	293.63	52.60	40.65	945.22
change in other liabilities	28.02	40.82	33.21	(10.89)	52.72
Days of trade payables with reference to revenue from operations (net)	18	23	20	23	42

The increase in trade payables on a standalone basis over the last five Fiscals has largely been due to renegotiation of payment terms with the Company's suppliers during this period. Further, the number of days of trade payables (computed as trade payables/revenue *365) have also increased from 18 days in Fiscal 2012 to 42 days in Fiscal 2016. Further, the number of days of trade payables increased from 23 days for FY 2015 to 42 days for FY 2016, primarily due to the increase in payables to the three major suppliers of the Company during this period.

Details of major suppliers

The details of the major suppliers who have contributed to the aforesaid increase in trade payables in Fiscal 2016, on a standalone basis are as follows:

Particulars	Trade Payables in Fiscal 2015		Trade Payables in Fiscal 2016		Increase from Fiscal 2015 to Fiscal 2016	
	(₹ in million)	% of total	(₹ in million)	% of total	(₹ in million)	% of total increase
APL Apollo Tubes	186.66	17.29	852.48	42.11	665.82	70.44
Uttam Value Steels	3.25	0.30	35.73	1.76	32.48	3.43
Calcutta Ispat	19.95	1.85	33.64	1.66	13.69	1.45
Total	**209.86**	**19.44**	**921.85**	**45.53**	**711.99**	**75.32**

Inventories

Our inventory includes, inventory of raw materials, work-in-progress, finished goods and stock-in-trade. We typically maintain an inventory of around 35 days for our retail, channel and enterprise sales operations and around 30 days for our processing operations, resulting in overall inventory requirements of around 45 days for our business.

Inventory days are calculated as total inventory at the end of the period divided by the total revenue multiplied by 365 days. Inventory days were 41 days for Fiscal 2014, 41 days for Fiscal 2015, 45 days for Fiscal 2016 and 45 for the nine months period ended December 31, 2016.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments as of December 31, 2016, aggregated by type of contractual obligation:

(₹ in millions)

Particulars	As of December 31, 2016				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Long term borrowing	164.14	87.51	76.63	-	-
Financial lease obligations	-	-	-	-	-

Particulars	As of December 31, 2016				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 -5 years	More than 5 years
Operating lease obligations	169.94	59.83	67.67	24.54	17.90
Capital commitment towards purchase of building (net of advance)	-	-	-	-	-
Capital commitment towards purchase of property (net of advance)	-	-	-	-	-
Capital commitment towards purchase of machinery (net of advance)	57.59	57.59	-	-	-
Total	**391.67**	**204.93**	**144.30**	**24.54**	**17.90**

Contingent liabilities and other off-balance sheet arrangements

The following table sets forth certain information relating to our contingent liabilities as of December 31, 2016:

Particulars	Amount (₹ in millions)
Contingent Liabilities	
Bank guarantee	3.00
Disputed income tax demand	3.62
Total	6.62

For further information, see our Restated Consolidated Financial Statements on page F-29.

Except as disclosed in our Restated Consolidated Financial Statements or this RHP, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Historical and Planned Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for expansion of our retail and processing operations. In Fiscals 2014, 2015 and 2016 and for the nine months period ended December 31, 2016, our capital expenditure (net of disposals and depreciation) was ₹265.97 million, ₹304.51 million and ₹286.53 million and ₹215.59 million, respectively.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include loans and advances, managerial remuneration and rental payments. For details, see "*Financial Statements - Statements of Related Parties and Related Party Transactions*" on page F-34.

Changes in Accounting Policies

There has been no change in our accounting policies in the last five years

Quantitative and qualitative disclosures about market risk

Raw material pricing risk

We are exposed to market risk in relation to the prices of raw materials consumed in our processing business. We have an annual contract with one of our key suppliers, under which we have a volume commitment for a portion of our raw material requirements, we typically do not have fixed-price, long-term contracts for the purchase of key raw materials, and instead procure these from the spot market on the basis of our requirements.

Interest rate risk

Interest rates for borrowings have been fluctuating in India in recent periods. Our current debt facilities typically carry variable rates of interest. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Liquidity risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in the expected collection, or our inability to raise adequate resources at an appropriate price. This risk may be minimized through a mix of strategies, including the maintenance of back up bank credit lines and following a forward - looking borrowing program based on projected loans and maturing obligations

Unusual or infrequent events or transactions

Except as described in this RHP, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Factors Affecting our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 151 and 15, respectively.

Known trends or uncertainties

Our than as described in the section "*Risk Factors*" on page 15, to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations

Future relationship between cost and income

Other than as described in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 15, 90 and 150 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Publicly announced new products or business segments/ material increases in revenue due to increased disbursements and introduction of new products

Other than as disclosed in this section, in "*Our Business*" on pages 90, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant dependence on single or few customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of business

Our business operations and the retail industry in general may be affected by seasonal trends in the Indian economy. Generally, we witness an increase in sales in the second half of the fiscal year. Sales generally decline during the monsoon season. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced.

Competitive conditions

We operate in a competitive environment. Please refer to the sections "*Business*", "*Industry Overview*" and "*Risk Factors*" on pages 90, 78 and 15, respectively for further information on our industry and competition.

Significant developments after December 31, 2016 that may affect our future results of operations

Except as disclosed above and in this RHP, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this RHP which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries, avail loans in the ordinary course of business, primarily for the purposes of meeting working capital requirements and for expansion of existing units, and purchase of machinery. Our Company provides a guarantee in relation to these loans as and when required.

Set forth below is a brief summary of our aggregate borrowings as on December 31, 2016:

(₹ In Million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding as on December 31, 2016
Company		
Term Loan		
Secured Borrowings	124.60	85.22
Working Capital Facilities*		
Secured Borrowings	2,400.00	2,062.92
Vehicle Loans	9.90	8.15
Total Borrowings (A)	**2,534.50**	**2,156.29**
Subsidiaries		
Term Loan		
Secured Borrowings	190.00	70.75
Working Capital Facilities*		
Secured Borrowings	1,650.00	766.50
Unsecured Borrowings	165.00	114.60
Total Borrowings (B)	**2005.00**	**951.85**
Total Borrowings (A+B)	**4,539.50**	**3,108.14**

**The working capital facilities excludes non fund based borrowings*

Principal terms of the borrowings availed by us:

1. ***Interest:*** The interest rate is typically the base rate of a specified lender and spread per annum. The spread varies between different loans availed by us from different banks.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from 12 months to 3 years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a) Create security by way of hypothecation of our current and future current assets, including stocks and book debts, and the current and future fixed assets of our Subsidiaries (if required);

   b) Create equitable mortgage over our properties;

   c) Provide corporate guarantees issued by our Company and our Subsidiaries, and personal guarantees issued by our Promoter;

   d) Execute demand promissory notes executed by us for a specified amount in the form approved by the relevant lender; and

   e) Assign our insurance policies.

   The aforesaid list is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us from time to time.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. Some of our lenders typically have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts. The repayment period for term loans typically range from 12 months to 30 monthly installments.

5. ***Events of Default:*** Borrowing arrangements entered into by us contain certain events of default, including but not limited to:

   a) Change in capital structure and shareholding pattern of our Company or our Subsidiaries, as the case maybe without prior permission of the lender;

b) Change in equity, management and operating structure of our Company, without prior permission of the lender;

c) Reduction or change in Promoter shareholding, or change in Promoter directorship resulting in change in management control, without prior permission of the lender;

d) Change in control of the relevant Subsidiaries;

e) Creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the lender;

f) Violation of any term of the relevant agreement or any other borrowing agreement;

g) Undertaking or permitting, *inter alia*, any liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with our creditors or shareholders or effecting any scheme of amalgamation or reconstruction without the consent of the lender;

h) Declaration of dividend without the consent of the lender;

i) Amending charter documents without the prior consent of the lender; and

j) Utilisation of funds for purposes other than the sanctioned purpose.

6. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including:

a) Requirement of maintaining the debt to equity ratio above a certain specified limit;

b) Right of the lender to convert debt into equity, on the occurrence of an event of default;

c) Business being confined to such activity as has been notified to the lender and for which the lender has sanctioned the credit facilities;

d) Adopting and maintaining comprehensive insurance for insuring the security provided to the lender at the terms stated in the loan agreements;

e) Right of the lender to suspend, terminate or recall the existing credit facilities without any reason; and

f) Right to appoint nominee director upon the occurrence of an event of default.

The aforesaid list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us. For further details in relation to our financial indebtedness, see "*Financial Statements*" on page 142.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, (i) there are no winding up petitions, outstanding litigations, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, our Subsidiaries, our Directors, our Promoter, our Group Companies or any other company where the outcome could have a materially adverse effect on the business, consolidated results of operations or financial position of our Company; (ii) there are no defaults including non-payment or overdue of statutory dues, overdues to banks or financial institutions, defaults against banks or financial institutions or rollover or rescheduling of loans or any other liability, defaults in dues payable to holders of any debt instrument, fixed deposits or arrears on cumulative preference shares issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below; (iii) there is no disciplinary action that has been taken by SEBI or any stock exchange against our Company, our Subsidiaries, our Directors, our Promoter or our Group Companies; (iv) there are no pending litigations or defaults in respect of our Group Entities with which our Promoter was associated in the past but is no longer associated; (v) there are no litigation proceedings, defaults, overdues, labour problems or closures that were faced or are being faced by our Company, our Subsidiaries, or our Group Entities; (vi) there is no litigation against our Directors or our Promoter involving violation of statutory regulations or alleging criminal offence; (vii) there is no criminal/civil prosecution against our Directors or Promoter in respect of tax liabilities; (viii) there are no pending proceedings initiated for economic offences against our Company, our Subsidiaries, our Directors, our Promoter or our Group Entities; (ix) there is no adverse finding in respect of our Company, our Subsidiaries, our Promoter or our Group Entities and persons or entities connected with our Company, our Subsidiaries, our Promoter, our Directors or our Group Entities as regards compliance with securities laws; (x) there is no past case in which penalty was imposed by the relevant authorities on our Company, our Subsidiaries or our Directors, our Promoter or our Group Entities; and (xi) there is no outstanding litigation or default relating to matters likely to affect the operations and finances of our Company and our Subsidiaries, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013.

The details of the outstanding litigation or proceedings involving our Company, Group Companies and Directors are described in this section in the manner as set forth below. Pursuant to SEBI ICDR Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Directors and Group Companies, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter exceeds either one per cent of the consolidated restated net profit of our Company or ₹4 million, whichever is lower. Further, pre-litigation notices received by our Company, Directors, Promoter, Group Companies and Subsidiaries (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by the Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. Accordingly, we have only disclosed all outstanding civil litigations involving our Company, Directors and Group Companies where the aggregate amount involved exceeds ₹4 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of our Company.

Litigation involving our Company

Litigation by our Company

A. *Criminal Proceedings*

1. Our Company is party to 116 criminal proceedings instituted by it under the provisions of the Negotiable Instruments Act, 1881 (the "**NI Act**"). These proceedings, having an aggregate claim value of approximately ₹40.69 million, have been filed in order to remedy dishonoured cheques issued in favour of our Company. The said proceedings have been filed under the provisions of the NI Act by our Company against the entities which have issued the said dishonoured cheques.

B. *Civil Proceedings*

1. Our Company is party to two civil proceedings instituted by it pursuant to the procedure laid down under the Civil Code. These proceedings, having an aggregate claim value of approximately ₹2.47 million, have been filed against the entities which have defaulted in making payments due to our Company, for recovery of the said amounts.

Litigation involving our Subsidiaries

Litigation involving CRIPL

Litigation by CRIPL

A. *Criminal Proceedings*

1. CRIPL has instituted five criminal proceedings under the provisions of the NI Act. These proceedings, having an aggregate claim value of ₹0.63 million have been filed in relation to dishonoured cheques issued in favour of CRIPL, against the entities which had issued the said dishonoured cheques.

Litigation involving TVSPPL

Litigation by TVSPPL

A. *Criminal Proceedings*

1. TVSPPL has instituted a criminal proceeding under the provisions of the NI Act. The said proceeding, having an aggregate claim value of ₹0.35 million has been filed in relation to a dishonoured cheque issued in favour of TVSSPL, against the respondents who had issued the said dishonoured cheque.

Litigation involving VPSPL

Litigation against VPSPL

A. *Notices and past penalties*

1. A notice was issued by the Office of the Senior Assistant Director of Factories, Department of Factories, Boilers, Industrial Safety and Health, dated June 1, 2016, against VPSPL for contravention of Sections 51, 52, 54, 56 and 59(1) of the Factories Act. The notice states that, VPSPL had engaged the services of security personnel for 12 hours or more in a single day, while the salary was paid only for eight hours, along with ordinary rate of wages provided for the extra hours of work, in contravention with the said provisions of the Factories Act. The matter is currently pending.

Tax Proceedings

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Direct Tax	1	3.62
Indirect Tax	3	5.30
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoter		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Compounding applications and orders, and orders for condonation of delay

(i) Our Company has filed the following compounding applications in relation to certain non-compliances under the Companies Act, 1956, which are currently pending:

(a) Compounding application dated February 10, 2017 filed before the National Company Law Tribunal,

Bengaluru, in relation to a lapse in filing the applicable return for beneficial ownership under section 187C of the Companies Act, 1956 for an allotment of Equity Shares approved by our Board on March 30, 1998, to our Promoter in his representative capacity as partner of a partnership firm;

(b) Compounding application dated February 10, 2017 filed before the National Company Law Tribunal, Bengaluru, in relation to a lapse in filing the applicable return for beneficial ownership under section 187C of the Companies Act, 1956 for an allotment of Equity Shares approved by our Board on March 28, 2000, to our Promoter in his representative capacity as partner of a partnership firm; and

(c) Compounding application dated September 22, 2016 filed before the Regional Director, which was subsequently re-filed on February 10, 2017, South East Region, Hyderabad, in relation to failure in fully complying with the provisions of the Unlisted Public Company (Preferential Allotment) Rules, 2003 for the preferential allotment of Equity Shares on November 6, 2007.

(ii) Our Subsidiary, CRIPL had filed a compounding application, dated June 27, 2014, in relation to (i) delay in reporting of inflow of funds received from a person resident outside India for allotment of shares; (ii) retaining excess share application money beyond 180 days and delay in refunding the same to the non-resident investor beyond the prescribed period of 180 days; and (iii) delay in submission of form FC-GPR on allotment of shares, to the RBI, as required under paragraph 8, paragraph 9(1)A, and paragraph 9(1)B respectively, of Schedule I of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The RBI *vide* its compounding order dated October 15, 2014, has compounded the contraventions under the said provisions on payment of ₹0.46 million. CRIPL accordingly paid the sum of ₹0.46 million, within the time period prescribed.

(iii) Our Subsidiary CRIPL had filed an application for condonation of delay in filing the particulars of creation of charge under section 125 of Companies Act, 1956 before the Regional Director, Southern Region, Ministry of Corporate Affairs, Chennai (the "**Regional Director**"). The Regional Director passed an order dated January 29, 2013 condoning the delay and imposed a fine of ₹10,000 for the lapse. CRIPL paid the said fine.

Litigation or legal action against our Promoter taken by any Ministry, Department of Government or any statutory authority

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoter during the last five years immediately preceding the year of the issue of this Red Herring Prospectus.

Outstanding dues to Creditors

For the purpose of material creditors to be disclosed in this Red Herring Prospectus, our Board has considered and adopted the following policy:

Outstanding dues to any creditor of the Company which exceed 5% of the total trade payables of the Company as at December 31, 2016, on a consolidated basis based on the latest Restated Financial Statements, shall be considered material.

As per the above policy, the material dues owed to small scale undertakings and other creditors as on December 31, 2016, by our Company is as follows:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings *	Nil	Nil
Other creditors	3	1,032.23

* *Entities that are identified as "Micro & Small Enterprises" under the Restated Consolidated Financial Statements are considered as small scale undertakings. For further details, see the section titled "Financial Statements" on page F-44.*

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at www.shankarabuildpro.com. It is clarified that other than details pertaining to net outstanding dues towards our creditors, no information available on our website form a part of this Red Herring Prospectus.

Material Developments

There have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company and our Directors for economic offences

There are no proceedings initiated against our Company or our Directors for any economic offences.

Inquiries, inspections or investigations under Companies Act

There are no inquiries, inspections or investigations initiated or conducted against our Company and any of our Subsidiaries under the Companies Act, 2013 or any previous company law in the last five years. Further, except as disclosed above, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last five years involving our Company and our Subsidiary.

Material Frauds

There are no material frauds committed against our Company during the last five years.

Defaults in respect of statutory dues payable

Our Company has no outstanding defaults in relation to statutory dues payable.

Outstanding litigation against other companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operations or finances of our Company or have a material adverse effect on the position of our Company.

Adverse findings against any persons/entities connected with our Company as regards non-compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non-compliance with securities law.

Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company, or any of our Subsidiaries or its Directors.

Further Confirmation

Except as disclosed above, there are no regulatory actions initiated/taken against our Company, any of our Subsidiaries, our Group Entities, our Promoter and our Directors in their individual capacities by various agencies/regulatory bodies. Further, except as disclosed above there are no show cause notices received by our Company, our Subsidiary, our Group Entities, our Promoter, or our Directors in their individual capacities (pending any investigation) for any regulatory lapse.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiaries undertake to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Regulations and Policies" on page 105.

The objects clause of the Memorandum of Association enables our Company and our Subsidiaries to undertake its present business activities.

The approvals required to be obtained by us include the following:

1. Approvals in relation to the Offer

For details, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 179.

2. Incorporation details of our Company

(i) Certificate of incorporation dated October 13, 1995 issued by the RoC to our Company in our former name, being Shankara Pipes India Private Limited.

(ii) Fresh certificate of incorporation dated August 28, 2007 issued by the RoC to our Company consequent upon conversion to a public company in the name of Shankara Pipes India Limited.

(iii) Fresh certificate of incorporation dated March 25, 2011 issued by the RoC to our Company consequent upon change of name to Shankara Infrastructure Materials Limited.

(iv) Fresh certificate of incorporation dated July 27, 2016 issued by the RoC to our Company consequent upon change of name to Shankara Building Products Limited.

(v) Our Company was allotted a corporate identity number U26922KA1995PLC018990.

3. Approvals in relation to our business operations

(i) Approvals in relation to our retail operations:

(a) *Shops and establishments legislations and trade license*

We are required to obtain a registration certificate of establishment issued by the Department of Labour of the respective state governments where the corporate offices, retail outlets and warehouses of our Company are located under the provisions of legislation on shops and establishments of the relevant State. We have obtained relevant shops and establishments registrations under the applicable provisions of the shops and establishments of the relevant state for our corporate offices, retail outlets and warehouses. We have also obtained the relevant trade licenses and warehouses for our retail outlets in the relevant states.

(b) *Employment related laws*

We have obtained the relevant registrations under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 and the Contract Labour (Regulation and Abolition) Act, 1970.

(ii) Approvals in relation to our processing operations:

(a) *Employment related laws*

We have obtained the relevant registrations under the Factories Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 and the Contract Labour (Regulation and Abolition) Act, 1970.

(b) *Environmental regulations*

We have obtained relevant consents from the state PCBs for establishment and operations of our processing units under the Water Act, Air Act and the Hazardous Wastes Rules.

(c) Other approvals

We have also obtained registrations as small scale industries, medium scale industry, explosives certificate, central power distribution certificate, legal metrology registrations and fire NOCs, as applicable under the relevant central and state legislations.

4. Approvals for our business operations under tax legislations

We are required to register under various national tax laws and state specific tax laws such as the Income Tax Act, 1961, Central Sales Tax, 1956, state specific sales tax, excise and value added tax legislations. We are also required to pay service tax and state specific professional tax. We have also obtained the importer exporter code for our operations. We have obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

5. Quality certifications

Our Company and our Subsidiaries are ISO 9001:2008 certified, for the following processes:

(i) Our Company – procurement, storage and distribution of steel tubes, pipes and MS steel products for automobile, construction engineering and irrigation applications;

(ii) CRIPL – manufacturer and supplier of roofing sheet and wall solutions;

(iii) TVSPPL – manufacture and supply of electric resistance welded (ERW) precision mild steel and hot dip galvanised tubes, pipes, hollow sections (square and rectangular) and hot dip galvanised strips; and

(iv) VPSPL - manufacturing and marketing of CR, CRCA steel strips and ERW tubes.

Further, our Subsidiary, TVSPPL adheres to the following quality standards at its manufacturing facilities, as certified from BIS:

(i) IS 3601: 2006
(ii) IS 1161: 2014
(iii) IS 4923: 1997
(iv) IS 1239: Part 1: 2004

6. Intellectual Property Rights

Our Company has obtained the following trademark registrations:

Sl. No	Trade mark	Trademark No.	Class	Certificate no.	Date of application	Date of expiry
1.	SHANKARA INFRA	2159641	2	1098734	June 14, 2011	June 14, 2021
2.	SHANKARA LOHA STEEL SOLUTIONS	1568762	6	1102402	June 14, 2007	June 14, 2017
3.	SHANKARA PIPES	962881	6	376792	October 12, 2000	October 12, 2020
4.	SHANKARA Steelworld	1651949	17	820523	February 11, 2008	February 11, 2018
5.	SHANKARA Steelworld	1651950	7	820343	February 11, 2008	February 11, 2018
6.	Steelworld plus Building Materials and More	2586453	19	1425286	August 27, 2013	August 27, 2023

Our Subsidiary, CRIPL has obtained the following trademark registrations:

Sl. No	Trade mark	Trade mark no.	Class	Certificate no.	Date of renewal application	Date of expiry
1.	Deller Steel Structural	1204832	6	591700	August 2, 2013	Pending renewal
2.	GANGA in touch with sun n rain	1204833	6	624813	August 2, 2013	Pending renewal

Our Company has applied for the following trademark registrations:

Sl. no	Trade mark	Class	Temporary trade mark no. for pending applications	Date of application	Status
1.	SHANKARA BuilDit	6	3083522	October 23, 2015	Objected
2.	SHANKARA INFRA	6	2159638	June 14, 2011	Objected
3.	SHANKARA INFRA	17	2159639	June 14, 2011	Objected
4.	SHANKARA INFRA	7	2159640	June 14, 2011	Objected
5.	SHANKARA INFRA	19	2159642	June 14, 2011	Objected
6.	PRINCE ARC Welding Electrodes	7	2613436	October 17, 2013	Objected
7.	SHANKARA Buildit	6	3083523	October 23, 2015	Objected
8.	SHANKARA Steelworld	2	2793884	August 20, 2014	Objected
9.	SHANKARA Steelworld	6	2793885	August 20, 2014	Objected
10.	Prince Wire	7	2863387	December 16, 2014	Objected
11.	SHANKARA Ultraroof	6	2454481	January 4, 2013	Objected
12.	SHANKARA Buildpro*	6	3237493	April 19, 2016	Objected
13.	LOHA metsec Structural Pipe	6	2892121	January 30, 2015	Objected
14.	SAMRAT GALVA	6	2417132	October 25, 2012	Objected
15.	PRINCE GALVA	6	2417133	October 25, 2012	Objected
16.	TAURUS Value Steels & Pipes	6	2795610	August 22, 2014	Objected
17.	Shankara Buildpro Logo	19	3369485	September 23, 2016	Objected
18.	Shankara Buildpro Logo	37	3369486	September 23, 2016	Objected
19.	Shankara Buildpro Logo	17	3369487	September 23, 2016	Objected
20.	Shankara Buildpro Logo	2	3369488	September 23, 2016	Objected
21.	Shankara Buildpro Logo	7	3369489	September 23, 2016	Objected
22.	Shankara Buildpro Logo	6	3369490	September 23, 2016	Objected
23.	Shankara Buildpro Logo	17	3369491	September 23, 2016	Objected
24.	Shankara Buildpro Logo	2	3369492	September 23, 2016	Objected
25.	Shankara Buildpro Logo	7	3369493	September 23, 2016	Objected
26.	Shankara Buildpro Logo	6	3369494	September 23, 2016	Objected
27.	Shankara Buildpro Logo	19	3369495	September 23, 2016	Objected
28.	Shankara Buildpro Logo	37	3369496	September 23, 2016	Objected

**Assigned by our Promoter to the Company, pursuant to assignment agreement dated September 22, 2016. For details of the trademark assignment agreement, see "History and Certain Corporate Matters" on page 118.*

Our Subsidiary, CRIPL has applied for the following trademark registrations:

Sl. no	Trade mark	Class	Temporary trade mark no. for pending applications	Date of application	Status
1.	Century Wells	35	2115803	March 15, 2011	Objected

The applications for trademarks made by our Company and our Subsidiary, CRIPL, have been objected in the ordinary course of the application process in respect of which our Company and our Subsidiary, CRIPL, have filed the requisite documents, that are currently pending, with the Registrar of Trade Marks.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Fresh Issue pursuant to the resolution passed at their meeting held on September 19, 2016 and our Shareholders have approved the Fresh Issue pursuant to a resolution passed at the EGM held on September 22, 2016 under Section 62(1)(c) of the Companies Act, 2013. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved the Draft Red Herring Prospectus pursuant to its resolution dated September 28, 2016 and this Red Herring Prospectus pursuant to its resolution dated March 13, 2017.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 51.

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 the 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 received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated October 25, 2016 and November 11, 2016, respectively.

Each of the Selling Shareholders have severally and on their own account confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by each of them are free from any lien, encumbrance, transfer restrictions or third party rights (other than such rights as set out under the various shareholder agreements) further details of which are set out in "*History and Certain Corporate Matters*" on page 109.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, 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 or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except for Chandu Nair, who is a director of CG Financial Consultancy Private Limited and Menterra Venture Advisors Private Limited, none of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoter or directors.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter, relatives (as defined under the Companies Act, 2013) of our Promoter, Directors, Group Entities, nor the Selling Shareholders have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30,000,000 in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150,000,000 calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10,000,000 in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for the year ended March 31, 2015; and

- The name of our Company was changed from Shankara Infrastructure Materials Limited to Shankara Building Products Limited and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 27, 2016. Our Company has been engaged in retailing of home improvement and building products and accordingly, no new activity is indicated by this change in name.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the restated consolidated financial information included in this Red Herring Prospectus as at, and for the last five years ended Financial Year 2016 are set forth below:

(*₹ in Million, unless otherwise stated*)

	Consolidated					Standalone				
	Fiscal 2016	**Fiscal 2015**	**Fiscal 2014**	**Fiscal 2013**	**Fiscal 2012**	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**	**Fiscal 2013**	**Fiscal 2012**
Pre-tax operating profit (1)	1,102.38	807.18	828.35	822.96	672.32	470.33	440.95	615.10	721.38	621.85
Net worth* (2)	2,906.39	2,532.58	2,333.43	1,998.82	1,648.20	2,262.42	2,192.18	2,176.06	1,934.20	1,597.24
Net tangible asset (3)	2,192.84	1,906.31	1,601.80	1,335.83	1,072.58	921.89	838.92	701.88	1,254.66	990.80
Monetary asset (4)	23.72	23.56	27.53	19.97	25.52	11.75	19.82	10.42	18.25	19.93
Monetary asset as a percentage of the net assets	1.08 %	1.24%	1.72%	1.49%	2.38%	1.27%	2.36%	1.48%	1.45%	2.01%

**The consolidated networth includes minority interest*

Source: Restated consolidated financial statements, Summary consolidated statement of assets and liabilities, as restated and summary consolidated statement of profit and loss, as restated of our Company for the respective periods.

Note:

(1) Pre-tax operating is profit before tax as restated consolidated financials as increased by finance cost and as finance cost and as reduced by other income.

(2) 'Net Worth' has been defined as the aggregate of the paid-up share capital and reserves and surplus (excluding revaluation reserves) as reduced by the aggregate of the miscellaneous expenditure (to the extent not adjusted or written off)

(3) 'Net tangible' asset means the sum of all net assets of the Company as per the restated standalone financial statements excluding intangible assets as defined in accounting standard 26 being the accounting standards notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

(4) Monetary assets include cash in hand, cheques in hand and balances with banks (including the deposit accounts and interest accrued thereon) and current investments.

Financial Years 2016, 2014 and 2013 are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated summary statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, IDFC BANK LIMITED, EQUIRUS CAPITAL PRIVATE LIMITED AND HDFC BANK LIMITED HAVE CERTIFIED THAT THE DISCLOSURES

MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, 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 28, 2016 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE 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 THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 28, 2016 ("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) **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC; FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE 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. - <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT A WRITTEN CONSENT FROM THE COMPANY'S PROMOTER (THE "PROMOTER") HAS BEEN OBTAINED FOR INCLUSION OF HIS EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI UNTILL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH</u>**

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 PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S 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 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 COMPANY'S MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY, AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE 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 THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY 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 THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S 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 THE 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 THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER FORMAT SPECIFIED BY SEBI 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 OF THE COMPANY REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY VENKAT AND VASAN, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NUMBER 004598 S BY WAY OF A CERTIFICATE DATED SEPTEMBER 24, 2016 AND MARCH 2, 2017.

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THECASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE

The filing of this Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Red Herring Prospectus.

The filing of this Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. It is clarified that other than details pertaining to net outstanding dues towards our creditors, no information available on our website form part of this Red Herring Prospectus.

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 downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

In the case of any Non-Resident investors investing in the Offer, each such Non-Resident investor shall be deemed to have represented, acknowledged and agreed that it is eligible to invest (a) under the portfolio investment scheme either as (i) an FPI (investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (ii) an FII (investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations); or (b) as an Eligible NRI (investing on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations).

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, 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 Eligible NRIs and FIIs. This Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in 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 Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, our Group Entities or the Selling 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 or any state securities laws in the United States, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

BSE Limited ("**the Exchange**") has given vide its letter dated October 25, 2016, permission to this Company to use Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

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

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to the National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Red.: NSE/LIST/93549 dated November 11, 2016 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

A copy of the Draft Red Herring Prospectus has been filed with SEBI at SEBI at Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai 600 002, Tamil Nadu, India.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC 'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that it shall extend all reasonable co-operation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by law.

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 shall be shared between our Company and the Selling Shareholders as mutually agreed, in accordance with applicable law.

Price information of past issues handled by the BRLMs (during the current financial year and two financial years preceding the current financial year)

A. IDFC

1. Price information of past issues handled by IDFC

Sr. No.	Issuer Name	Issue Size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	HPL Electric & Power Limited	3,610.00	202.00	October 04, 2016	190.00	-14.75% [-2.91%]	-51.19% [-6.72%]	--

Notes:
1. *Source: www.nseindia.com for the price information and prospectus/finalised basis of allotment for issue details.*
2. *NSE was the designated stock exchange for the issue listed as item 1 therefore price information and benchmark index values have been/will be shown only for designated stock exchange. NIFTY has been used as the benchmark index.*
3. *In case of reporting dates falling on a trading holiday, values for the trading day immediately following the trading holiday have been considered.*
4. *Since 180 calendar days from listing date has not elapsed for HPL Electric & Power Limited, data for the same is not available.*

2. Summary statement of price information of past issues handled by IDFC

Financial Year	Total no. of IPOs	Total amount of funds raised (₹in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-2017*	1	3,610.00	-	-	1	-	-	-	-	-	-	-	-	-

**As on the date of this Red Herring Prospectus*

Notes:
1. *Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.*
2. *The discount/premium has been/will be calculated based on the closing stock price.*
3. *Since 180 calendar days from listing date has not elapsed for HPL Electric & Power Limited, data for the same is not available. Hence the same is not considered while calculating no. of IPOs trading at discount/premium on 180th calendar day from listing.*

B. Equirus

Nil

C. HDFC

1. Price information of past issues handled by HDFC

Sr. No.	Issue Name	Issue size (in ₹million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+79.11% [+1.26%]
2.	Precision Camshafts Limited	4,101.90	186	February 8, 2016	165.00	-14.57% [+1.33%]	-20.32% [+6.48%]	-20.11%[+17.54%]
3.	Snowman Logistics Limited	1,974.00	47	September 12, 2014	76.00	+79.36% [-2.73%]	+117.66% [+3.09%]	+79.79% [+7.48%]

Source: www.nseindia.com for price information and prospectus for issue details

1. *Opening price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*
3. *Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*

2. Summary statement of price information of past issues handled by HDFC

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹in million)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016 – 2017*	1	12,129.67	-	-	-	-	-	-	-	1	-	1	-	-
2015 – 2016	1	4,101.90	-	-	1	-	-	1	-	-	-	-	-	-
2014 – 2015	1	1,974.00	-	-	-	-	-	-	1	-	-	1	-	-

**The information is as on the date of this Red Herring Prospectus*

Track record of past issues handled by the BRLMs

For details regarding the track record of the Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

Sl. No	Name of the BRLMs	Website
1.	IDFC	www.idfcbank.com
2.	Equirus	www.equirus.com
3.	HDFC	www.hdfcbank.com

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Legal Counsel to our Company, Legal Counsel to the BRLMs, banker/ lenders to our Company and our Subsidiaries, the BRLMs, the Syndicate Members, Bankers to the Offer, the Registrar to the Offer, independent chartered accountant, CRISIL and a chartered engineer to act in their respective capacities, have been obtained and have been filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Haribhakti & Co., LLP, Chartered Accountants, have given their written consent for inclusion of their reports dated February 7, 2017 on the Restated Financial Statements of our Company and the statement of tax benefits dated February 15, 2017 in the form and context, included in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors namely, Haribhakti & Co., LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated February 7, 2017 and the statement of tax benefits dated February 15, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditors fees and listing fees. For further details of Offer expenses, see "*Objects of the Offer*" on page 71.

The fees and expenses relating to the Offer shall be shared among the Company and the Selling Shareholders, upon successful completion of the Offer, as mutually agreed, in accordance with applicable law.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 22, 2016 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

The Selling Shareholders will reimburse our Company the expenses incurred in relation to their respective Equity Shares offered in the Offer for Sale.

IPO grading

The Company has not appointed an IPO grading agency registered with SEBI in respect of obtaining grading for the Offer.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 60, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Entities and Subsidiaries of our Company

None of our Group Entities and Subsidiaries of our Company have undertaken a capital issue in the last three years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Entities and Subsidiaries of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Entities and Subsidiaries of our Company have undertaken any public or rights issue in the last ten years preceding the date of the Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds as of the date of filing this Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any outstanding preference shares or convertible instruments as of the date of filing this Red Herring Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

For details of the Offer expenses, see "*Objects of the Offer*" on page 71.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see "*Objects of the Offer*" on page 71.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Stakeholders' Relationship Committee comprising of Jayashri Murali, V Ravichandar and Chandu Nair as members. For details, see "*Our Management – Stakeholders' Relationship Committee*" on page 129.

Our Company has also appointed Ereena Vikram, Company Secretary of our Company as the Compliance Officer for the

Offer. For details, see "*General Information*" on page 52.

There are no listed companies under the same management as our Company.

Changes in Auditors

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

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 60.

Revaluation of Assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All Offer related expenses shall be shares, upon successful completion of the Offer, amongst our Company and the Selling Shareholders, as mutually agreed, in accordance with applicable law. The Selling Shareholders shall reimburse our Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf for their respective Equity Shares offered in the Offer for Sale.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 238.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 141 and 238, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 each and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and the Bengaluru edition of the Kannada newspaper Vijayavani (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of Articles of Association*" on page 238.

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 July 12, 2016 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated September 8, 2016 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

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

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be 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 participant.

Withdrawal of the Offer

In accordance with SEBI ICDR Regulation, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Offer at any time after the Bid/Offer Opening Date. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	**March 22, 2017**[(1)]
BID/OFFER CLOSES ON	**March 24, 2017**

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	March 24, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about March 30, 2017
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Accounts	On or about March 31, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about April 3, 2017
Commencement of trading of the Equity Shares on the Stock Exchange(s)	On or about April 5, 2017

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public/bank holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) 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 an under subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be first met through the Equity Shares offered pursuant to the Offer for Sale on a pro-rata basis in a manner proportionate to the Equity Shares being offered by the Promoter and the Equity Shares being offered by Fairwinds and subsequently, with the balance part of the Fresh Issue.

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 each Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer, to the extent that the delay is solely attributable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

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 63 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 238.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹450 million by our Company and Offer of Sale of up to 6,521,740 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer will constitute 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.

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*[2]	[●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	50% of the Offer Size shall be available for allocation to QIBs. However, up to 5% of the net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs (excluding Anchor Investor Portion)	Not less than 15% of the Offer	Not less than 35% of the Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) upto [●] 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	Proportionate, subject to minimum Bid Lot. For details see, "Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs" on page 228
Mode of Bidding	ASBA only [3]	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples thereof		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, FIIs and their sub-accounts registered with the SEBI other than a sub-account which is foreign corporate or foreign individual, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III foreign portfolio investors, FIIs and their sub-accounts registered with the SEBI other than a sub-account which is foreign corporate or foreign individual	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
	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		
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[3]		

**Assuming full subscription in the Offer*

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Procedure" on page 198

(2) Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b)(i) of the SCRR and under the SEBI ICDR Regulations

(3) Anchor Investors are not permitted to use the ASBA process. Entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form to the members of the Syndicate. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 228

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.

Please note that non-residents are not permitted to participate in the Offer, except (i) FPIs (investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (ii) FIIs (investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations); and (iii) Eligible NRIs (investing on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations). Further, other non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

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 2016 ("**FDI Circular 2016**"), which, with effect from June 7, 2016, 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 June 7, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2016 will be valid until the DIPP issues an updated circular.

As per current foreign investment policies, foreign direct investment in the multi brand retail trading sector is permitted to the extent of 51%, with prior Governmental approval and subject to satisfaction of certain sectoral conditions. However, (i) FIIs and FPIs can invest under the portfolio investment scheme in compliance with the provisions of Schedule 2 and Schedule 2A of the Foreign Exchange Management (Transfer of Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**"); and (ii) Eligible NRIs can invest on a non-repatriation basis in compliance with the provisions of Schedule 4, of the FEMA Regulations, upto an aggregate foreign investment limit of 49% or sectoral or statutory cap, whichever is lower, without approval of the FIPB or compliance of sectoral conditions, if such investment does not result in the transfer of ownership and/or control of the Indian entity from Indian citizens to non-resident entities.

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.

Non-residents such as FVCIs, multilateral and bilateral development financial institutions are not permitted to participate in the Offer. As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction 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 modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

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 enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Offer shall be allocated to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidder in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

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

The ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Category) and FPIs applying	Blue

Category	Colour of Bid cum Application Form*
on a repatriation basis	
Anchor Investors	White

* *Excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has the ASBA bank account details of which were provided by the Bidder in his respective ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoter, Promoter Group, the BRLMs, the Syndicate Members and persons related to the Promoter/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLM) Promoter and Promoter Group can apply in the Offer. Provided that the Promoter may participate in the Offer to the extent that he is offering his Equity Shares in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Please note that Eligible NRIs may participate in the Offer only on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations, and are advised to use the Bid cum Application Form meant for resident Indians and Eligible NRIs applying on a non-repatriation basis, which is white in colour. For details see "Offer Procedure – Bid cum Application Form" on page 198.

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account, may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 49% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs and AIFs

The SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI under the SEBI VCF Regulations in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Non residents such as FVCIs, multilateral and bilateral development financial institutions are not eligible to participate in this Offer. Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), 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 and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders may, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the bank account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/ specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details with the Depositories are updated, true and correct in all respect;

14. 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;

15. Ensure that the category and the investor status is indicated clearly;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

18. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

4. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not submit the Bid cum Application Form if you are a Non-Resident, except if you are: (i) an FPI (investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations); (ii) an FII (investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations); or (iii) an Eligible NRI (investing on a non-repatriation basis in accordance with Schedule 4 of the FEMA Regulations);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account.

11. Do not submit 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;

12. 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;

13. 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);

14. Do not Bid for shares more than specified by respective Stock Exchanges for each category;

15. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder; and

16. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Anchor Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names

will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "Shankara Public Offer – Anchor Investor – R"

(b) In case of Non-Resident Anchor Investors: "Shankara Public Offer – Anchor Inevstor – NR"

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard and the Bengaluru edition of the Kannada newspaper Vijayavani (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located). 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:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;

- if Allotment is not made application money will be refunded/unblocked in the relevant ASBA Account within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

- the funds required for making refunds as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- Promoters' contribution, if required, shall be brought in advance before the Bid/Offer Opening Date;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

Sukumar Srinivas and Fairwinds Trustee Services Private Limited undertake that each of them is the legal and beneficial owner of, and has full clear and marketable title to the Equity Shares being offered by each of them in the Offer. Further, each Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

- it shall provide appropriate instructions and all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;

- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid/Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling 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.

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.

Non-Resident investors, except (i) FIIs investing under the portfolio investment scheme in accordance with Schedule 2 of the FEMA Regulations; (ii) FPIs investing under the portfolio investment scheme in accordance with Schedule 2A of the FEMA Regulations; and (iii) Eligible NRIs investing on a non-repatriation basis in compliance with Schedule 4 of the FEMA Regulations, cannot participate in the Offer. Bidders should note that this General Information Document has not been updated to reflect the above terms of the Offer and Bidders should refer to "Offer Procedure – Part A" beginning on page 198 for details in relation to the same.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts

(Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

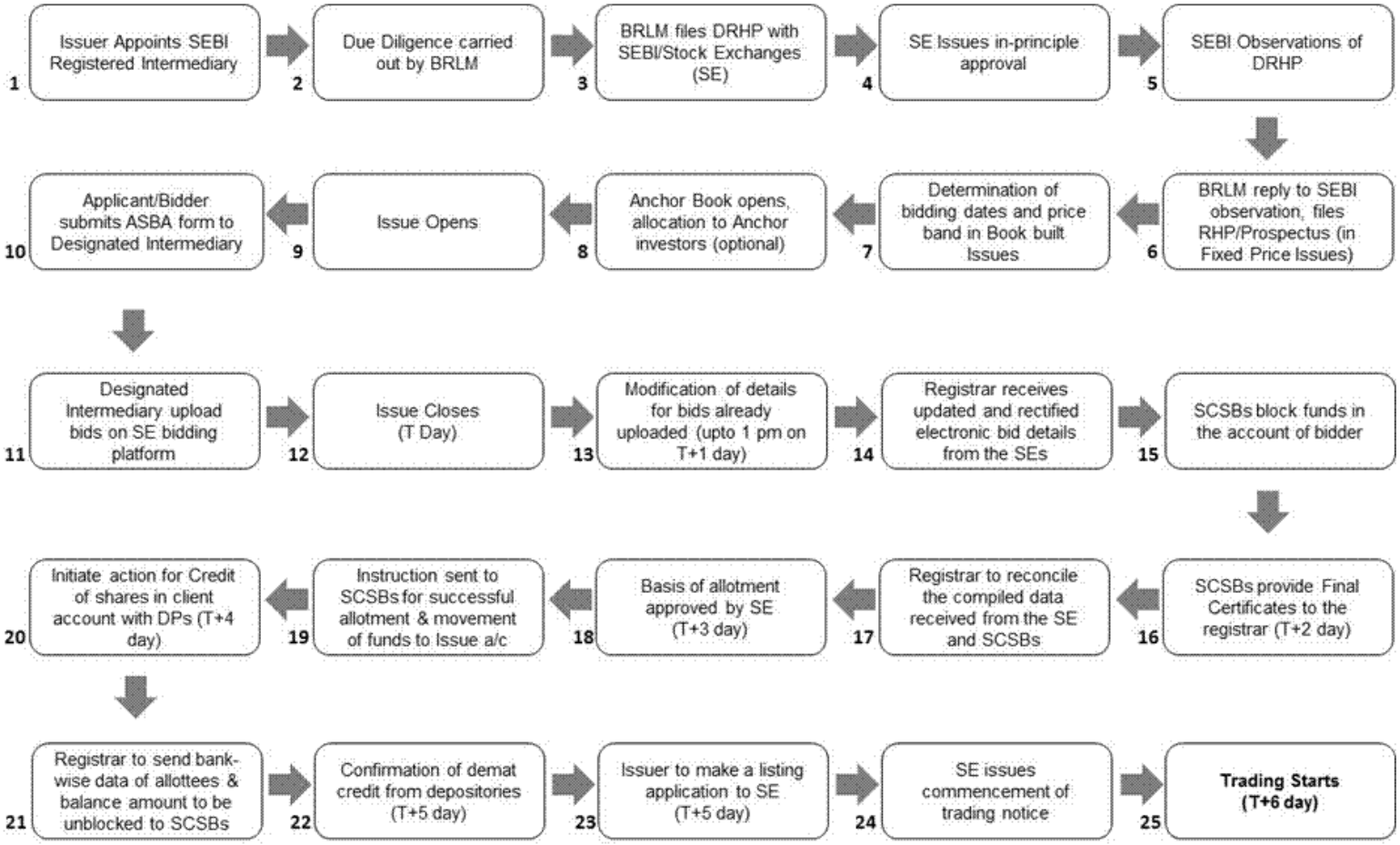
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7 : Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs and FPIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are

available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, 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 FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. _____

Address _____

_____ Email _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

*HUF should apply only through *Karta*. *Application by HUF would be treated on par with Individual.*

7. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorise the SCSB to do all actions necessary to make the Application in the line 1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms. _____

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No. _____

Bank & Branch _____

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : ..... Contact Details: ..... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms. _____

Address _____

_____ Email _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF ")

Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ Q I B

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)_____

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) _____ (₹ in words) _____

ASBA Bank A/c No. _____

Bank Name & Branch _____

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) 2) 3)	

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms. _____

Telephone / Mobile | Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No. _____

Bank & Branch _____

Name of Sole / First Bidder _____

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"***Any person who:***

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) Nomination Facility to Bidder/Applicant: Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.1 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a

suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.2 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.3 **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.

4.1.3.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

(b) Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by such Bidder does not exceed ₹500,000. However, Allotment to the Employees under the employee reservation portion may exceed ₹200,000 (which will be less employee discount) only in the event of an under-subscription in the employee reservation portion and such unsubscribed portion may be allotted on a proportionate basis to Employees Bidding in the employee reservation portion, for a value in excess of ₹200,000, subject to total Allotment to an Employee not exceeding ₹500,000 (which will be less the Employee Discount).

(c) In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the employee reservation portion due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(d) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) RIIs may revise their bids or withdraw their bids until the Bid/Offer Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.

(g) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(i) A Bid cannot be submitted for more than the Offer size.

(j) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(k) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.3.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, 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.

4.1.4 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.5 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs and FPIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.6 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate

the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.6.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.6.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.6.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.6.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, or more than five lakh Rupees in case of Employees Bidding under the employee reservation portion, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.7 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.8 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : ..... Contact Details: ..... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : .....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUBAGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)									Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)										
										Bid Price			Retail Discount			Net Price			"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1		3	2	1	3	2	1	3	2	1	
Option 1																			☐
(OR) Option 2																			☐
(OR) Option 3																			☐

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)									Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)										
										Bid Price			Retail Discount			Net Price			"Cut-off" (Please ✓ tick)
	8	7	6	5	4	3	2	1		3	2	1	3	2	1	3	2	1	
Option 1																			☐
(OR) Option 2																			☐
(OR) Option 3																			☐

6. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (IN BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID REVISION FORM AND THE ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GIDI) AND HEREBY AGREE AND CONFIRM THE UNDERTAKING AS GIVEN OVERLEAF WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the form 1) 2) 3)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :		

TEAR HERE

LOGO

XYZ LIMITED
BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) Bank & Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile Email

Stamp & Signature of SCSB Branch

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case of revision of Bids by Employees under employee reservation portion, such Employees should ensure that the Bid Amount, subsequent to revision does not exceed ₹500,000. In the event of an under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis for a value in excess of ₹200,000, subject to total allotment to an Employee not exceeding ₹500,000. In case the Bid Amount exceeds ₹200,000, except Bids by Employees under the employee reservation portion, due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, except Bids by Employees under the employee reservation portion, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, except Bids by Employees under the employee reservation portion, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000, except for Bids by Employees Bidding in the employee reservation portion wherein the application amount payable should not exceed ₹500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applicantions bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Manager at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Bids/Applications for shares more than the prescribed limit by each Stock Exchanges for each category;

(o) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(p) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

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

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

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
2,500	20	7,500	250.00%

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

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in

this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and

- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit of Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.
If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue

and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date

Term	Description
Bid/Offer Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band

Term	Description
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for

Term	Description
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	"Working Day", means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by its shareholders.

PART I

1. CONSTITUTION OF THE COMPANY

a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*

b) *The regulations for the management of the Company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

a. "**Act**" shall mean the Companies Act, 1956 as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013) and the notified sections of the Companies Act, 2013 (including the sections that were notified on September 12, 2013, February 27, 2014 and March 26, 2014) and include the Rules made thereunder.

b. "**ADRs**" shall mean American Depository Rec representing ADSs.

c. "**Annual General Meeting**" shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.

d. **"ADR Facility"** shall mean an ADR facility established by the Company with a depository bank to hold any Equity Shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.

e. **"ADSs"** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.

f. **"Articles"** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.

g. **"Auditors"** shall mean and include those persons appointed as such for the time being by the company.

h. **"Board"** or **"Board of Directors"** shall mean the board of directors of the company, as constituted from time to time, in accordance with Law and the provisions of these Articles.

i. **"Board Meeting"** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles.

j. **"Beneficial Owner"** shall mean beneficial owner as defined in Clause (a) of Sub-section (1) of Section 2 of the Depositories Act.

k. **"Capital" or "Share Capital"** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.

l. **"Chairman"** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.

m. **"Companies Act, 1956"** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

n. **"Company" or "this Company"** shall mean **SHANKARA BUILDING PRODUCTS LIMITED.**

o. **"Committees"** shall mean a committee constituted in accordance with Article 74.

p. **"Debenture"** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.

q. **"Depositories Act"** shall mean the Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.

r. **"Depository"** shall mean a Depository as defined in Clause (e) of Sub-section (1) of Section 2 of the Depositories Act.

s. **"Director"** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with Law and the provisions of these Articles.

t. **"Dividend"** shall include interim dividends.

u. "**Equity Share Capital**" shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.

v. "**Equity Shares**" shall mean fully paid-up equity shares of the Company having a par value of INR **10/-** (Rupees **Ten**) per equity share, and INR **10/-** (Rupees **Ten**) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.

w. **"Executor"** or **"Administrator"** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.

x. **"Extraordinary General Meeting"** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;

y. "**Financial Year**" shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.

z. "**Fully Diluted Basis**" shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.

aa. **"GDRs"** shall mean the registered Global Depositary Receipts, representing GDSs.

bb. **"GDSs**" shall mean the Global Depository Shares, each of which represents a certain number of Equity Shares.

cc. **"General Meeting"** shall mean a meeting of holders of Equity Shares and any adjournment thereof.

dd. "**Independent Director**" shall mean an independent director as defined under the Act and under Regulation 16(1)(b) of the SEBI Listing Regulations.

ee. "**INR**" shall mean Indian Rupees, being the lawful currency of India;

ff. **"India"** shall mean the Republic of India.

gg. **"Law"** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international

treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.

hh. **"Managing Director"** shall have the meaning assigned to it under the Act.

ii. "**MCA**" shall mean the Ministry of Corporate Affairs, Government of India.

jj. "**Memorandum**" shall mean the memorandum of association of the Company, as amended from time to time.

kk. **"Office"** shall mean the registered office for the time being of the Company.

ll. **"Officer"** shall have the meaning assigned thereto by Section 2(59) of the Act.

mm. **"Ordinary Resolution**" shall have the meaning assigned thereto by Section 114 of the Act.

nn. "**Paid up**" shall include the amount credited as paid up.

oo. "**Person**" shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).

pp. "**Promoter**" shall mean Sukumar Srinivas.

qq. "**Register of Members**" shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.

rr. "**Registrar**" shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.

ss. "**Rules**" shall mean the rules made under the Act and notified from time to time.

tt. "**Seal**" shall mean the common seal(s) for the time being of the Company.

uu. "**SEBI**" shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.

vv. "**SEBI Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

ww. **"Secretary"** shall mean a company secretary as defined in clause (c) of Sub-section (1) of Section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.

xx. "**Securities**" shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.

yy. **"Share Equivalents"** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.

zz. "**Shareholder**" shall mean any shareholder of the Company, from time to time.

aaa. "**Shareholders' Meeting**" shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.

bbb. **"Special Resolution"** shall have the meaning assigned to it under Section 114 of the Act.

ccc. **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such

shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

ddd. "**Tribunal**" shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

(i) References to a Party shall, where the context permits, include such Party's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

(a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.

(b) The Paid up Share Capital shall be at all times a minimum of INR **5,00,000/-** (Rupees **Five Lakhs** only) or such higher amount as may be required under the Act.

(c) The Company has the power, from time to time, to increase its authorised or issued and Paid up Share Capital.

(d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.

(e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

(g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.

(h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.

(i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

(j) All of the provisions of these Articles shall apply to the Shareholders.

(k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

(l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

(a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;

(b) No such shares shall be redeemed unless they are fully paid;

(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;

(d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;

(e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;

(f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and

(g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

(a) increase its Share Capital by such amount as it thinks expedient;

(b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.

(c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination

(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

(e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

11. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

12. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

13. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

(a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act:

(i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;

(ii) A register of Debenture holders; and

(iii) A register of any other security holders.

(b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.

(c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

(a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) A duplicate certificate of shares may be issued, if such certificate:

i. is proved to have been lost or destroyed; or

ii. has been defaced, mutilated or torn and is surrendered to the Company.

(c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.

(e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law including the rules or regulations or requirements of any stock exchange and the rules made under the Securities Contracts (Regulation) Act, 1956, or any statutory modification or re-enactment thereof, for the time being in force.

(f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.

(g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.

(h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.

(i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine–numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

(j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.

(k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.

(l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

(n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 54 of the Act) and at such time as they may, from time to time, think fit and with the sanction of the Company in the General Meeting, give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board thinks fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid-up shares. Provided that option or right to call shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.

(ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several

certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within 1 (one) month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the one or several joint holders shall be sufficient delivery to all such holders.

(iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.

(b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.

(c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.

(d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.

(e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.

(f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.

(g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

(h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

(j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.

(l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid-up share), registered in the name of each shareholder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and except as provided in Article 19(i)(b);

(ii) on all shares (not being fully paid-up shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted only to moneys called or payable at a fixed price in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid-up Debenture), registered in the name of each debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

(ii) on all Debentures (not being fully paid-up Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the

Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to

the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

(a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

(c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.

(d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

(f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.

(g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.

(h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.

(i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

(b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

(d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

(b) Every instrument of transfer of shares shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.

(e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(f) Subject to the provisions of Sections 58 and 59 of the Act, the Rules, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse, whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company or debentures of the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

(g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

(h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts

of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.

(j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

(m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.

(p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

(q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(r) There shall be a common form of transfer in accordance with the Act and Rules.

(s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoter to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.

(d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.

c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

(a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:

(i) accept or renew deposits from Shareholders;

(ii) borrow money by way of issuance of Debentures;

(iii) borrow money otherwise than on Debentures;

(iv) accept deposits from Shareholders either in advance of calls or otherwise; and

(v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

(b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture–stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.

(c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be

for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

(d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.

(e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

(f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

(g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

(a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

(b) (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.

(ii) Not more than one person shall be recognised as depositor of the share warrant.

(iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.

(c) (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.

(ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.

(d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

(e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.

(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 meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

(a) <u>Number of days' notice of General Meeting to be given</u> : A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(b) Auditor or Auditors of the Company, and

(c) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.

(d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

(a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

(b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

(c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

(d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.

(e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.

(f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if

more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

(g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.

(h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

(i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.

(j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.

(k) A Shareholder present by proxy shall be entitled to vote only on a poll.

(l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.

(m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.

(n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

(o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.

(p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

(q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.

(i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.

(vii) Any such Minutes shall be evidence of the proceedings recorded therein.

(viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.

(ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -

a) the names of the Directors and Alternate Directors present at each General Meeting;

b) all Resolutions and proceedings of General Meeting.

(r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.

(s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

(t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.

(u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.

(v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the

corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

(w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

(a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.

(b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "**the Original Director**") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42**.** Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent

Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.

(b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the

maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:

(i) he is found to be of unsound mind by a court of competent jurisdiction; or

(ii) he applies to be adjudicated an insolvent; or

(iii) he is adjudged an insolvent; or

(iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or

(v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or

(vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or

(vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or

(viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(ix) he acts in contravention of Section 184 of the Act; or

(x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or

(xi) he is removed in pursuance of Section 169 of the Act; or

(xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :

i. sale, purchase or supply of any goods or materials;

ii. selling or otherwise disposing of, or buying, property of any kind;

iii. leasing of property of any kind;

iv. availing or rendering of any services;

v. appointment of any agent for purchase or sale of goods, materials, services or property;

vi. such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii. underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

(b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(f) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

(a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them

together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

(b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-

(i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;

(ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,

1. in his being –

I. a director of such company, and

II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or

2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

(c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

(d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article

nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board , expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

(a) to make calls on Shareholders in respect of money unpaid on their shares;

(b) to authorise buy-back of securities under Section 68 of the Act;

(c) to issue securities, including debentures, whether in or outside India;

(d) to borrow money(ies);

(e) to invest the funds of the Company;

(f) to grant loans or give guarantee or provide security in respect of loans;

(g) to approve financial statements and the Board's report;

(h) to diversify the business of the Company;

(i) to approve amalgamation, merger or reconstruction;

(j) to take over a company or acquire a controlling or substantial stake in another company;

(k) fees/ compensation payable to non-executive directors including independent directors of the Company; and

(l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(b) to borrow money; and

(c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred and twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.

(e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

(a) <u>Quorum for Board Meetings</u>

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

(a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.

(b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-

i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;

ii. Remit, or give time for repayment of, any debt due by a Director;

iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and

iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board

and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director . Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

(a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.

(b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

(c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -

(i) all appointments of Officers;

(ii) the names of the Directors present at each meeting of the Board;

(iii) all resolutions and proceedings of the meetings of the Board;

(iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.

(f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:-

(i) is or could reasonably be regarded as defamatory of any person;

(ii) is irrelevant or immaterial to the proceedings; or

(iii) is detrimental to the interests of the Company.

(g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.

(h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

(i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

(a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

(d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.

(b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.

(c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

86. ACCOUNTS

(a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

(b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.

(c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.

(d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.

(e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.

(f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:

i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;

ii. number of meetings of the Board;

iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;

iv. a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;

v. in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;

vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-

1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;

vii. particulars of loans, guarantees or investments under Section 186 of the Act;

viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;

ix. the state of the company's affairs;

x. the amounts, if any, which it proposes to carry to any reserves;

xi. the amount, if any, which it recommends should be paid by way of Dividends;

xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;

xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;

xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

xvii. such other matters as may be prescribed under the Law, from time to time.

(g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

87. AUDIT AND AUDITORS

(a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.

(b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.

(c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.

(d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.

(e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

(f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.

(g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.

(h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.

(i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.

(j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.

(d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(i) To the Shareholders of the Company as provided by these Articles.

(ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

(a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

(b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.

(c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Actor out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -

1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and

2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Actor against both.

(ii) The declaration of the Board as to the amount of the net profits shall be conclusive.

(d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.

(e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.

(f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.

(ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.

(iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.

(g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.

(h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.

(i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

(j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.

(k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.

(l) No unpaid Dividend shall bear interest as against the Company.

(m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.

(n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.

(o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, the Company shall, within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, transfer the total amount of dividend, which remained so unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investor Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

(b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.

(c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;

(ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or

(iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

(d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

(a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.

(b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:

(i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and

(ii) generally do all acts and things required to give effect thereto.

(c) The Board shall have full power:

i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and

ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.

(d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100.DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

(a) If the company shall be wound up , the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

101.DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

102.DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part , or for any other loss ,damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

103.INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

104.AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

(a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

(b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.

(c) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105.SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

106.DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

Part II

Part II of these Articles includes the rights and obligations of the parties to the Shareholders' Agreement, along with its schedules as amended by the First Addendum Agreement, Second Addendum Agreement and the waiver and termination agreement, to be executed between the parties to the Shareholders' Agreement.

In the event of any inconsistency between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail over Part I of these Articles. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares.

It is clarified that if listing of the Equity Shares of the Company on the National Stock Exchange of India Limited or BSE Limited is not completed on or before the date agreed on between the Investor, the Company and the Promoter in the waiver and termination agreement, to be executed between the parties to the Shareholders' Agreement, all existing shareholders' of the Company, the Promoter and the Company undertake to take all such actions, and do all such things, necessary to ensure that the Investor is placed in the same position and possesses the same right as if these Articles had not been amended, approved and implemented except the procedural changes as required under the Act and rules made thereunder, which are not prejudicial to the Investor in any manner whatsoever. However, the Investor may give consent for such procedural changes subject to their rights under the Articles of the Company.

1 **INTERPRETATION**

1.1 The regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 shall apply to this Company to the extent and in respect of matters not specifically provided for in these Articles except so far as the same are contained in these Articles.

1.2 In the interpretation of these presents the following words and expressions shall have the following meanings respectively, unless excluded by subject or context.

"**Act**" shall mean the Companies Act, 2013 (as may be notified from time to time) and the (Indian) Companies Act, 1956 (to the extent not repealed/replaced by the (Indian) Companies Act, 2013) and the relevant rules thereunder.

"**Affiliate**" in relation to a Person,

(a) being a corporate entity, shall mean any entity or Person, which Controls, is Controlled by, or is under the common Control of such Person;

(b) being an individual, shall mean any Relative or any other entity or Person, which is Controlled by such Person or a Relative of such individual;

(c) in any other case shall mean a Person Controlled by a Party/Parties.

Provided that in case of the Investor, an affiliate shall include any trust or schemes or funds managed or Controlled by the Investor or its Affiliate but shall specifically exclude any Affiliate engaged in the business competing with the Business.

"**Articles**" shall mean these articles of association of the Company, as amended from time to time.

"**Associated Company**" shall mean any company which is Controlled by the Company.

"**Big Four Accounting Firms**" means such Indian firms of chartered accountants as are associated with any of Deloitte & Touche, Ernst & Young, KPMG or PriceWaterhouse Coopers.

"**Board**" shall mean the duly constituted board of directors of the Company.

"**Business**" shall mean the business of the Company of manufacturing, processing, distributing, retailing, purchasing, selling or otherwise dealing with steel pipes and tubes and distributing, retailing, purchasing, selling of iron and steel, PVC rigid pipe fittings, PVC products, moulded plastic products, plastic furniture, sections made out of aluminium, steel, stainless steel, pipe fittings and other metals and allied products of all kinds.

"**Business Day**" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in Mumbai and Bangalore are closed under the Negotiable Instruments Act, 1881.

"**Business Plan**" shall mean the current business plan and budget including the annual operating budget approved by the Board of Directors and by the Investor.

"**Closing**" shall mean the issue and allotment of the First Tranche Subscription Securities by the Company to the Investor.

"**Closing Date**" shall mean 8 March 2011.

"**Cut-Off Date**" shall mean 31 March 2015.

"**Confidential Information**" shall mean any information concerning the business, accounts, finance, technology or intellectual property rights of the Company.

"**Control**"/"**Controlled**" shall mean the beneficial ownership of or the right to vote in respect of, directly or indirectly, more than 50% (Fifty Percent) of the voting shares or securities of such entity or the power to control the majority of the composition of the board of directors of such entity or the power to direct the management or policies of such entity by contract or otherwise.

"**Director**" shall mean a director duly appointed on the Board.

"**Employees**" shall mean individuals who are the confirmed/permanent employees of the Company.

"**Employment Agreements**" shall mean the employment agreements between the Key Employees and the Company on terms and conditions approved by the Investor.

"**Encumbrance**" in relation to Shares, shall mean the creation or continued existence of any security interest, whether by way of pledge, mortgage, hypothecation, lien, charge (whether fixed or floating), trust or other encumbrance of whatsoever nature on such Shares.

"**Equity Shares**" shall mean the equity shares of the Company issued and outstanding from time to time, presently having a face value of INR 10 (Rupees Ten Only) per share.

"**Fall Away Event**" shall mean occurrence of an event resulting in the Investor and/or its Affiliates ceasing to hold 20% (Twenty Percent) or more of the Investor Securities or 5% (Five Percent) or more of the then existing paid-up capital of the Company on a fully diluted basis (as adjusted for any share reorganizations such as bonus, rights, etc.), whichever is earlier.

"**First Addendum Agreement**" shall mean the First addendum to the Shareholders' Agreement dated March 31, 2015 executed between the Promoter, Company and the Investor.

"**First Tranche**" shall mean the subscription to the First Tranche Subscription Securities at the First Tranche Subscription Price.

"**First Tranche Equity Shares**" shall mean the 60,49,937 (Sixty Lakhs Forty Nine Thousand Nine Hundred and Thirty Seven Only) Equity Shares (or if the context so requires, any part thereof) of face value of INR 10 (Rupees Ten Only) each to be subscribed to by the Investor at Closing at a premium of INR 95.16 (Rupees Ninety Five and Paise Sixteen Only) per Share.

"**First Tranche Subscription Securities**" shall mean the First Tranche Equity Shares and the debentures subscribed to by the Investor at Closing.

"**First Tranche Subscription Price**" shall mean the aggregate price equal to INR 80,00,00,000 (Rupees Eighty Crores Only) for the First Tranche Subscription Securities or the price of INR 105.16 (Rupees One Hundred and Five and Paise Sixteen Only) per Security for each First Tranche Subscription Security as the context may require, to be subscribed to by the Investor at Closing.

"**Government Authority (ies)**" shall mean:

(a) a government, whether Indian, foreign, federal, state, territorial or local which has or claims jurisdiction over the Company;

(b) a department, office or minister of a government acting in that capacity and shall include the Reserve Bank of India; or

(c) a commission, agency, board or other governmental, semi-governmental, judicial, quasi judicial administrative, monetary or fiscal authority, tribunal.

"**Indebtedness**" of any Person means all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases and (v) in the nature of guarantees of the obligations described in clauses (i) through (iv) above of any other Person.

"**Investor**" shall mean Reliance Alternative Investments Fund - Private Equity Scheme I, a trust constituted in terms of the Indian Trusts Act, 1882 and registered as a domestic venture capital fund with the Securities and Exchange Board of India bearing registration number IN/VCF/05-06/077, through its trustee Fairwinds Trustees Services Private Limited, having its principal place of business at 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400001.

"**Investor Directors**" shall mean the Directors nominated and/or appointed by the Investor.

"**Investor Securities**" shall mean the Securities held by the Investor from time to time in accordance with the terms of these Articles and for the avoidance of doubt include the First Tranche Subscription Securities.

"**IP Rights**" or "**Intellectual Property**" shall mean all rights in and in relation to all intellectual property rights subsisting in the products developed, being developed and/or proposed to be developed by the Company including all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub-domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, methodologies, computer programs (including all source codes), technical information, manufacturing, engineering and technical drawings, know-how and all pending applications for and registrations of patents, entity models, trademarks, service marks, copyrights and internet domain names and sub-domains.

"**IPO**" shall mean a first public offering (including by way of an offer for sale) of the Equity Shares and consequent listing of the Equity Shares on a Recognised Stock Exchange.

"**Key Employees**" means Mr. Sukumar Srinivas (Managing Director), Mr. C. Ravikumar (Executive Director), Mr.R.S.V Shivaprasada (Executive Director) and any other person as may be agreed to mutually by and between the Parties.

"**Law**" includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any court, Government, statutory authority, board (in each such case whether preliminary or final).

"**Liquidation Event**" shall for the purpose of these Articles be deemed to include any liquidation or dissolution or winding up of the Company whether voluntary or involuntary, excluding any dissolution arising from any proposed merger of the Company in accordance with Sections 391 to 394 of the Act.

"**Liquidation Preference Right**" shall have the meaning assigned to it in Article 7.

"**Liquidation Preference Price**" shall in relation to the Investor, mean the Subscription Price paid by the Investor for the Investor Securities subscribed to from time to time plus any accrued or declared but unpaid dividends and unpaid coupon rate on such Securities held by the Investor, being the minimum price payable to the Investor on a Liquidation Event in respect of the Investor Securities, to the extent and in the manner, provided in these Articles.

"**Loss**" shall mean any loss, liability, claim, damage, fine, penalty, deficiency and expense (including interest, court fees, fees of attorneys, accountants and other experts or other expenses of litigation or other proceedings of any claim, default or assessment) and any diminution in the value of the Company as may be determined by an independent auditor, the costs of whom shall be borne by the Company.

"**Managing Director**" shall mean the managing director of the Company.

"**Material Adverse Effect**" shall mean any (a) event, occurrence, fact, condition, change, development or effect that is, or may reasonably be, (i) materially adverse to the valuation, Business, operations, prospects, results of operations, condition (financial or otherwise), properties or assets (whether tangible or intangible) or liabilities of the Company, or (ii) results in or is reasonably likely to result in the Company being unable to carry on the Business or any part thereof, or (b) material impairment of the ability of the Company and/or the Promoter to perform their respective obligations hereunder.

"**Material Breach**" shall, in relation to the Promoter and/or the Company, as the case may be, unless expressly waived by the Investor, mean:

(a) any act or omission, which constitutes a failure on the part of the Promoter or the Company to honour or give effect to the Liquidation Preference and/or the anti dilution rights of the Investor contained in Article 7 (*Liquidation Preference Rights*) and Article 8.2 (*Anti-dilution Rights of the Investor*) respectively, which shall include the raising of any contention by the Promoter and/or the Company that the Liquidation Preference and/or the anti dilution rights are not valid and/or cannot be granted to the Investor; or

(b) the taking of any action contrary to the terms of Article 12.12 (*Affirmative Voting Requirements*) or any other similar provisions under these Articles i.e. without obtaining the prior written consent of the Investor; or

(c) the breach by the Promoter or the Company of any of their respective covenants, representations and warranties or other obligations set forth in any of the Transaction Documents, resulting in a Material Adverse Effect;

if where capable of remedy, the same is not remedied by the Promoter and/or the Company within 30 (thirty) days of the receipt of the notice in writing in this regard from the Investor.

"**Other Existing Shareholders**" shall mean all the remaining Shareholders of the Company other than the Promoter and the Investor.

"**Party**" or "**Parties**" shall mean the Promoter, the Investor, the Other Existing Shareholders or the Company, individually or collectively, as the context so requires. It is clarified that the Promoter, and the Company taken together constitute one Party, unless the context otherwise requires.

"**Person**" shall mean and include an individual, an association, a corporation, a partnership, a joint venture, a venture capital fund, a trust, an unincorporated organization, a joint stock company or other entity or organization, including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity.

"**Preferential Issue**" shall mean the issue of Equity Shares or other Securities convertible into Equity Shares to any Person or Persons other than a *pro rata* offer of Equity Shares or such Securities to all Shareholders on identical terms.

"**Promoter**" shall mean Mr. Sukumar Srinivas, Indian inhabitant, residing at 490, 3rd Block, 14th Main, Koramangala, Bangalore – 560 034

"**Promoter Directors**" shall mean the Directors nominated and/or appointed by the Promoter from time to time in accordance with Article 12.2 (*Board Composition*).

"**Promoter Shares**" means the Shares held by the Promoter and his Affiliates, if any, collectively from time to time.

"**Recognised Stock Exchange**" shall mean the BSE Limited and the National Stock Exchange of India Limited or any other stock exchange mutually acceptable to the Parties.

"**Relative**" shall mean parents, spouse, brothers, sisters and children of that individual.

"**Reserved Matter**" shall have the meaning set forth in Article 12.12 (*Affirmative Voting Requirements*).

"**Re**", "**Rs.** ", "**Rupee**", "**Rupees**" or "**INR**" shall mean the lawful Indian currency.

"**SEBI**" shall mean the Securities and Exchange Board of India.

"**Second Addendum Agreement**" shall mean the second addendum to the Shareholders' Agreement dated June 29, 2016 executed between the Company, Promoter and Investor.

"**Securities**" shall include the Shares, debentures and any other security that is convertible into Equity Shares.

"**Shares**" shall mean the preference shares and Equity Shares of the Company.

"**Shareholder**" or **"Shareholders"** shall mean any Person who holds Shares.

"**Shareholders' Agreement**" shall mean the shareholders' agreement dated February 24, 2011 executed between the Promoter, Company, Investor and Other Existing Shareholders.

"**Subscription Price**" shall mean the aggregate price paid by the Investor for the Investor Securities from time to time and shall include the First Tranche Subscription Price.

"**Third Party Purchaser**" means a person other than the Promoter or the Investor who purchases or is invited to purchase or who offers to purchase any Securities from the Promoter or the Investor under any of the provisions of these Articles.

1.3 **Construction**

All references in these Articles to statutory provisions shall be to statutory provisions for the time being in force and shall be construed as including references to any statutory modifications, consolidation or re-enactment for the time being in force, and all statutory rules, regulations and orders made pursuant to a statutory provision.

(a) Words denoting singular shall include the plural and vice versa and words denoting any gender shall include all genders unless the context otherwise requires.

(b) Any reference to "writing" includes printing, typing, lithography and other means of reproducing words in permanent visible form.

(c) The terms "include" and "including" shall mean "include without limitation".

(d) The headings, subheadings, titles, subtitles to Articles, sub- Articles and paragraphs are for information only, shall not form part of the operative provisions of these Articles, and shall be ignored in construing the same.

(e) Any reference to the transfer of Securities shall include reference to any action, which has the effect of creating any third party interest in or over the Securities, or the sale, creation of a pledge or a lien, or any other encumbrance or any other security interest in or over the Securities.

(f) Any reference to the shareholding of the Company on a fully diluted basis refers to the shareholding pattern of the Company at the relevant point in time and shall be calculated after taking into account all the issued and outstanding Shares of the Company, and all outstanding options, warrants, convertible debentures, from time to time, and all other convertible securities of the Company as if all such options, warrants, convertible debentures, preference shares and all other convertible securities were converted to Equity Shares at that point in time.

(g) Any reference to par or face value in relation to any Share shall mean the value expressed on the face of the Share certificate representing the Share, at the relevant point of time, irrespective of the actual price paid for that Share by the holder thereof.

(h) Any reference to a decision of the Board shall, in the absence of an express statement to the contrary, refer to a simple majority decision of the Board.

(i) The terms referred to but not defined in these Articles, shall have the meaning as defined under the Act and failing that under any other relevant applicable statutes/ legislations.

(j) All references to these Articles shall be deemed to include any amendments or modifications thereto, as the case may be, from time to time.

2 CONSTITUTION

The Company is public company within the meaning of the Act.

3 SHARE CAPITAL

3.1 The authorized share capital of the Company shall be as per Clause V of the Memorandum of Association of the Company. The Company shall have the right to sub-divide, consolidate, decrease or increase its authorized share capital in accordance with these Articles and the Act.

3.2 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, subject to the prior written consent of the Investor.

3.3 (i) Every person whose name is entered as a Shareholder in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided:

(a) one certificate for all his Shares without payment of any charges; or

(b) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the Shares to which it relates and the amount paid-up thereon.

3.4 The Company may, subject to the provisions of the Act and these Articles, with the consent of shareholders as may be required under applicable law or these Articles, have more than one class of Shares and also have the right to issue Shares with differential rights as to voting, dividend or otherwise.

3.5 (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 Act and these Articles, 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 these Articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued Shares of the class in question.

3.6 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

3.7 The provisions of Articles 3.5 and 3.6 above, shall mutatis mutandis apply to debentures of the Company.

3.8 Except as required by law, no person shall be recognised by the Company as holding any Share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

3.9 (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, 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 thereunder.

(ii) 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 of the Act.

(iii) 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.

3.10 Subject to the applicable provisions of the Act and these Articles, the Company shall have the power to issue redeemable or convertible or partly redeemable and partly convertible preference shares which are either cumulative or non-cumulative, at the option of the Company subject however to such conditions as may be stipulated by the Board.

3.11 The Company may, subject to the provisions of the Act and these Articles, issue any Bonus Shares.

3.12 **Buy back of Shares**

The Company may, subject to the applicable provisions of the Act, these Articles and other applicable laws and to the approval of the Securities Exchange Board of India and other authorities as may be required, buy back the Shares in the share capital of the Company or any securities issued by it.

3.13 **Voting and Dividend Rights**

3.13.1 All Equity Shares shall carry 1 (one) vote per Equity Share and shall except for the Liquidation Preference Right rank *pari-passu* for dividends and other rights.

3.13.2 The Equity Shares arising out of conversion of the debentures or any other convertible Securities shall rank pari-passu with the existing Equity Shares, save as otherwise specifically provided herein.

3.14 **Register of Members, Shares and Share certificates**

3.14.1 The Company shall cause to be kept a Register and Index of Members in accordance with the Act.

3.14.2 Shares shall be numbered progressively.

3.14.3 All Shares forfeited or surrendered shall continue to bear the number by which the same was originally distinguished.

3.14.4 Every Shareholder shall be entitled to one or more certificates in marketable lots, for the Shares held by him without payment.

3.14.5 The share certificates shall be kept ready for delivery and be issued in accordance with the relevant provisions and within the time specified under the Act.

3.14.6 The share certificates shall be issued only in pursuance of a resolution passed by the Board and shall be issued under the seal of the Company in such manner as may be required under the Act.

3.14.7 Particulars of every share certificate issued shall be entered in the Register of Members.

3.14.8 Where the Shares are allotted jointly to two or more persons, they collectively shall be treated as a single member and the certificate of any Shares so allotted or held by them may be delivered to anyone of such joint owners on behalf of all of them. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

3.14.9 The Shares may, subject to the provisions of the Act, be either in physical form or in dematerialised form.

3.14.10 All share certificates of the Company representing the Shares issued to any of the Shareholders shall bear the following legend, as well as any other legends required under any applicable Laws or Regulations:

THESE SHARES ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE SHAREHOLDERS AGREEMENT DATED 24 FEBRUARY 2011, AS AMENDED, BY AND AMONG THE COMPANY AND THE SHAREHOLDERS OF THE COMPANY NAMED THEREIN. A COPY OF SUCH SHAREHOLDERS AGREEMENT AND THE AMENDMENT AGREEMENTS ARE ON FILE AT THE REGISTERED OFFICE OF THE COMPANY. THE SALE, TRANSFER OR OTHER DISPOSITION OF THESE SHARES IS SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING CERTAIN RESTRICTIONS ON TRANSFERABILITY) OF THE SHAREHOLDERS AGREEMENT, AS AMENDED AND SUCH SHARES ARE TRANSFERABLE ONLY UPON PROOF OF COMPLIANCE THEREWITH. ANY ATTEMPT TO SELL, TRANSFER OR OTHERWISE DISPOSE OFF THESE SHARES OTHER THAN IN COMPLIANCE WITH THE SHAREHOLDERS AGREEMENT, AS AMENDED SHALL BE NULL AND VOID.

3.15 **Authentication of Share certificates**

Share certificates shall be authenticated as required under the Act by two Directors and an authorised representative of the Board by affixing their signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, which shall be under the safe custody of respective Directors.

3.16 **Renewal of Share Certificates**

3.16.1 Share certificates shall not be issued either in respect of those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the old certificate is surrendered to the Company, subject however to the relevant provisions of the Act and these Articles.

3.16.2 If any certificate is lost or destroyed, then upon intimation to the Company, the Company shall within a period of seven days from the date of receipt of such intimation shall call for such documents and seek such indemnity as it, deems reasonably adequate for issue of a new share certificate in lieu of the share certificate lost or destroyed. The

Company further reserves the right at its discretion to seek copy of the complaint or the First Information Report (FIR) copy from the jurisdictional Police Station in proof of complaint lodged for loss of Share Certificates and may also require newspaper notification to be published in a English daily having nation-wide circulation for loss of share certificate. Every certificate under this Article shall be issued on payment of Rs. 50 (Rupees Fifty Only) for each certificate within fifteen days from the date of receipt of complete documents by the Company. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

3.16.3 The Directors shall comply with these Articles, such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf.

3.17 **Discretion to refuse Sub-Division or Consolidation of Share certificates**

Subject to the provisions of the Act and these Articles, the Board may in its absolute discretion, refuse applications for the sub-division or consolidation of share certificates, debentures, debenture stock or bond certificate into lots less than the marketable lot.

3.18 **Liability of Members**

Every Shareholder or his heirs, executors and administrators shall pay to the Company the portion of the capital represented by his Share or Shares which may remain unpaid thereon, in such manner as the Board may determine.

3.19 **Declaration Of Beneficial Owner Of Shares**

3.19.1 A person whose name is at any time entered in the register of Members of the Company is not the beneficial owner shall, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

3.19.2 A person who holds or acquires a beneficial interest in a Share or a class of Shares of the Company shall, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying his name and other particulars in the manner provided in the Act.

3.19.3 Notwithstanding anything contained in the Act, upon receipt of any declaration so made, the Company shall record such declaration in the Register of Members and shall file the required return with the Registrar of Companies.

3.20 **Power To Make Calls, Notice Of Calls And Revocation Of Calls**

3.20.1 Subject to these Articles, the Board may, from time to time, subject to the terms on which any Shares are issued and subject to the conditions of allotment, make such call or calls as it thinks fit upon the Shareholders in respect of all monies unpaid on the Shares held and the Shareholders shall pay the amount of every call so made in such manner, on such dates and at such places appointed by the Board. A call may be made payable by instalments.

3.20.2 At least fourteen days notice in writing of any call shall be given by the Company for payment of such calls.

3.20.3 A call may be revoked or postponed at the discretion of the Board.

3.20.4 A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

3.20.5 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. The Board shall be at liberty to waive payment of any such interest wholly or in part.

3.20.6 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 Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

In case of non-payment of such sum, all the relevant provisions of these Articles 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.

3.21 **Liability of Joint Holders**

The joint holders of a Share shall be jointly and severally liable to pay all calls made.

3.22 **Directors power to extend time for payment of calls, Interest on calls etc.**

3.22.1 The Board may, from to time, at its discretion, extend the time fixed for the payments of any call.

3.22.2 In the event any Shareholder fails to pay any call within the specified date, the Board may allow payment of the same with interest subject to such terms and conditions as it may determine.

3.23 **Proof On Trial Of Suit For Money Due On Shares**

On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representatives for the recovery of any money claimed to be due to the Company in respect of the Shares, the resolution making the call duly recorded in the Minute Book and issue of notice of such call shall be sufficient proof.

3.24 **Delayed Payment Not To Preclude Forfeiture**

The payment of the call money and interest thereon by the allottee after the stipulated date shall not preclude the Company from proceeding to enforce a forfeiture of such Shares after the appointed date.

3.25 **Payment of Calls in Advance may carry Interest**

Subject to these Articles,

(a) the Board may agree to and receive from any Shareholder willing to pay the calls in advance and upon the moneys so paid in advance the Board may pay or allow interest at such rate not exceeding ten percent per annum;

(b) Subject to the provisions of the Act, any Shareholder paying any calls in advance shall be entitled to voting rights in respect of the calls so paid in advance by him.

3.26 **Forfeiture of Shares**

3.26.1 Subject to these Articles:

(a) in the event any Shareholder fails to pay any call on or before the day appointed for the payment of the same or before the expiry of time extended the Board may, at any time thereafter, give notice to him requiring to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(b) The notice shall specify a day (not being less than fourteen days from the date of the notice) and a place of places on and at which such call and such interest thereof for the period of delay at such rate not exceeding 18 per annum as the Directors shall determine are to be paid. The notice shall also state that, in the event of non-payment on or before the appointed date, the Shares in respect of which the call is in arrears will be liable to be forfeited.

(c) In case the requirements of such notice are not complied with, every such Share may be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Share and not actually paid before the forfeiture.

(d) When any Share is forfeited notice of forfeiture shall be given to the Shareholder and the same be recorded in the Register of Members forthwith. No forfeiture shall be invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

(e) Any Share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or the otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board shall think fit.

(f) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

(g) A person whose Shares have been forfeited shall cease to be a Shareholder 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.

(h) 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.

3.26.2 Shareholders' Liability to Pay Calls In Arrears and Interest after Forfeiture

Any Shareholder whose Shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, instalments, interest and expenses due or in respect of such Shares at the time of the forfeiture, together with interest thereon from time to time of the forfeiture until payment, at such rate not exceeding 18 percent per annum as the Board may determine and the Board may enforce the payment thereof.

3.26.3 Effect of Forfeiture

The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved and shall be subject to the provisions of the Act.

3.27 **Other Regulations Relating to Forfeiture**

Subject to these Articles:

(a) A declaration in writing that the person declaring is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to those Shares.

(b) Upon any sale after forfeiture or for enforcing a lien, the Board may appoint some persons to execute an instrument of transfer of the Shares sold and cause the purchasers' name to be entered in the Register of Members in respect of the Shares so sold, and the Purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name is entered in the Register in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

(c) Upon any sale, re-allotment or otherwise disposal under these Articles, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company been previously surrendered to it by the defaulting Shareholder) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

(d) The Board may at any time before any Shares so forfeited is sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

3.28 **Lien**

3.28.1 (i) The Company shall have a first and paramount lien:

(a) 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

(b) 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:

(ii) The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this clause.

(iii) The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

3.28.2 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:

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) 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.

3.28.3 (i) To give effect to any such sale, the Board may, subject to the provisions of these Articles, 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.

3.28.4 (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the person entitled to the Shares at the date of the sale.

4 ALTERATION OF CAPITAL

4.1 The Company may, subject to the provision of the Act and these Articles including Article 12.12 (*Affirmative Voting Requirements*), 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.

4.2 Subject to the provisions of section 61 of the Act and these Articles including Article 12.12 (*Affirmative Voting Requirements*), the Company may, by ordinary resolution:

4.2.1 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

4.2.2 convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

4.2.3 sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the memorandum;

4.2.4 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.

4.3 Where Shares are converted into stock:

4.3.1 the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles 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.

4.3.2 the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

4.3.3 such of the Articles as are applicable to paid-up Shares shall apply to stock and the words "Share" and "Shareholder" in those Articles shall include "stock" and "stock-holder" respectively.

4.4 The Company may, by special resolution, subject to the Act and these Articles, including Article 12.12 (*Affirmative Voting Requirements*) 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.

5 CAPITALISATION OF PROFITS

5.1 (i) The Company may, subject to the provisions of these Articles including Article 12.12 (*Affirmative Voting Requirements*), in general meeting, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii) below, either in or towards:

(a) paying up any amounts for the time being unpaid on any Shares held by such Shareholders respectively;

(b) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Shareholders of the Company as fully paid bonus Shares;

(e) The Board shall, subject to the provisions of these Articles, give effect to the resolution passed by the Company in pursuance of this Article.

5.2 (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the Shareholders entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further Shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares;

(iii) Any agreement made under such authority shall be effective and binding on such Shareholders.

6 DEBENTURES

Subject to these Articles, debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in General Meeting in accordance with the provisions of the Act.

7 LIQUIDATION PREFERENCE RIGHTS

7.1 The Investor Securities, shall to the maximum extent permitted by law, enjoy a Liquidation Preference Right as specified herein.

7.2 In the event of a Liquidation Event, the consideration or proceeds of such liquidation shall be distributed in the following manner to ensure that the Investor enjoys the following Liquidation Preference Rights in respect of the Investor Securities or such maximum number of Investor Securities as permitted by applicable Law:

(a) The Investor, in respect of the Investor Securities held by them, shall be entitled to receive the Liquidation Preference Price, from the assets, cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the Liquidation Event available after discharging the liabilities of the Company under applicable Law, prior and in preference to the payment of any dividend or distribution of any of the assets or surplus funds of the Company to the other holders of any Securities (including other holders of Equity Shares) of the Company by reason of its ownership thereof.

(b) If the Liquidation Preference Price has been paid to the Investor in full in respect of all the Investor Securities or such maximum number of Investor Securities as permitted by applicable Law, then after payment of the Liquidation Preference Price to the Investor, the Promoter shall subject to applicable Law, be entitled to receive an amount upto Rs. 65,00,00,000/- (Rupees Sixty Five Crores Only) from the balance funds (if any) available in the Company.

(c) After payments referred to in (a) and (b) above, the remaining proceeds, if any, will be distributed between the Investor, the Promoter and the Other Existing Shareholders in proportion to their respective shareholding in the Company on a fully diluted basis. Save as provided in this sub-clause (c), the Other Existing Shareholders shall not be entitled to any other payment as a consequence of such a Liquidation Event.

(d) If for any reason under applicable Law, the proceeds available consequent to a Liquidation Event cannot be distributed in the aforesaid manner, the Promoter, the Other Existing Shareholders and the Investor will to the extent possible redistribute the proceeds inter-se among themselves so as to ensure that the intent of the provisions in this Article are achieved to the maximum extent possible.

7.3 The Company shall take all steps necessary to ensure that the Investor shall be entitled to benefits of the Liquidation Preference on the Investor Securities and the Company, the Promoter and the Other Existing Shareholders shall not raise a contention that these rights granted to the Investor are illegal and/or unenforceable.

8 FURTHER ISSUE OF SHARES

8.1 **Preferential Issue**

8.1.1 In the event the Company proposes to make a Preferential Issue or a bonus issue or a rights issue, the Investor shall have the first right to subscribe to/be allotted the pro-rata percentage of the entire issue of such Securities on the basis of its then existing shareholdings on a fully diluted basis so that its shareholding percentages in the Company on such fully diluted basis is not reduced and the subscription by allotment to the Investor shall be on the same terms and conditions on which the Securities are being offered/issued by the Company.

8.2 **Anti-dilution Rights of the Investor**

8.2.1 The Company shall not make a Preferential Issue at a price per Security or a conversion price per Security less than the Subscription Price paid by the Investor, without the specific written consent of the Investor.

8.2.2 In the event any Person who invests in the Company is offered rights, including those relating to voting, dividends, transfer of Securities, Liquidation Preference and further issue of Shares, that are more favourable to such Person than those attached to the Investor Securities, the Investor shall have the right to require the Company and the Promoter and the Company and the Promoter shall ensure that the Investor is entitled to enjoy any and all such rights offered to such other Person and which under applicable Law can be conferred on the Investor as holders of the Investor Securities, and the Parties agree to execute all such documents as are necessary to offer such additional rights to the Investor.

9 TRANSFER OF SECURITIES

9.1 **Promoter's Restrictions on Transfer**

(a) Notwithstanding anything contained in Article 9.2 (*Right of First Offer and Tag Along Right*) to Article 9.5 (*Computation of Time Limits*) below, the Promoter and his Affiliates shall be entitled to directly or indirectly, transfer or to create any Encumbrance in favour of a bona-fide third party acceptable to the Investor, which consent shall not be unreasonably withheld, upto 650,000 (Six Lakhs Fifty Thousand)

Promoter Shares (as adjusted for any Share reorganizations such as bonus, rights, etc.) ("**Transferable Shares**").

(b) The Promoter and his Affiliates that hold any Equity Shares or Securities , shall not, except for the Transferable Shares, directly or indirectly, transfer any of the Promoter Shares ("**Restricted Shares**") in any manner whatsoever or create any Encumbrance with respect to any of the Restricted Shares otherwise than in accordance with the terms of this Article. Any transfer of the Restricted Shares by the Promoter or his Affiliates shall be valid only if made in accordance with the provisions of this Article 9 (*Transfer of Securities*) and Article 12.12(*Affirmative Voting Requirements*), as applicable.

9.2 Right of First Offer and Tag Along Right:

9.2.1 Sale of Equity Shares by the Promoter

(a) If, at any time the Promoter (or his Affiliates who hold any Equity Shares) desire to sell or transfer the Restricted Shares or any part thereof or any interest therein ("**Promoter Offered Shares**"), to a third party other than to the Promoter's Affiliates as provided in Article 9.3 (*Acquisition or transfer of Securities through Affiliates*), the Promoter shall first intimate the Investor, in writing, of his intention to do so ("**Promoter Offer Notice**").

(b) The Investor shall have the right, to be exercised by giving written notice thereof to the Promoter within 15 (fifteen) days from receipt of the Promoter Offer Notice, to offer to purchase the Promoter Offered Shares from the Promoter. Such offer (the "**Offer**") shall:

(i) clearly state price per Share offered ("**Offer Price**");

(ii) clearly state the other material terms and conditions of the Offer;

(c) Upon receipt of the Offer, the Promoter shall have the right, to be exercised by giving written notice thereof to the Investor, within 15 (fifteen) days of his receiving the Offer, to accept the Offer or reject the Offer. Failure to respond within the 15 (fifteen) days period shall be a deemed rejection of the Offer.

(d) If the Promoter accepts the Offer, the Investor shall purchase such Promoter Offered Shares within 60 (sixty) days from the date of acceptance of the Offer.

(e) If the Promoter rejects or is deemed to have rejected the Offer, the Promoter shall have a period of 90 (ninety) days from the Offer in which to sell the Promoter Offered Shares to a Third Party Purchaser at a price that is higher and on other terms that are not more favourable than the Offer Price and terms and conditions as specified in the Offer ("**Outside Offer**"). Any Offered Shares not sold within the 90 (ninety) day period may not be sold or transferred without again complying with this Article 9.2.1 (*Sale of Equity Shares by Promoter*).

(f) In the event the Promoter desires to sell the Promoter Offered Shares to the Third Party Purchaser pursuant to the Outside Offer in terms of Article 9.2.1(e) above, the Promoter shall obtain a specific undertaking from the Third Party Purchaser that the Third Party Purchaser will also purchase such number of Investor Securities that the Investor wishes to sell at the same price and on the same terms and conditions as the Outside Offer ("**Tag Along Right**") and intimate the Investor the terms and conditions contained in the Outside Offer received by it from the Third Party Purchaser. If the Investor exercises the Tag Along Right, by stating clearly the number of Investor Securities (determined in the manner set out in sub-clause (g) below) that the Investor would like to sell to the Third Party Purchaser ("**Tag Along Securities**") by means of a written notice ("**Tag Along Notice**") issued to the Promoter within a period of 15 (fifteen) days from the date of receipt of intimation from the Promoter, the Third Party Purchaser shall complete the purchase of the Promoter Offered Shares and the Tag Along Securities and Promoter and Investor shall sell the Promoter Offered Shares and the Tag Along Securities respectively to the Third Party Purchaser within a period of 30 (thirty) days from the date of the Tag Along Notice. The Investor shall not be required to give to the Third Party Purchaser, any representations and/or warranties in respect of the Company or the Business or the Tag Along Securities held by the Investor except for representations and warranties regarding the validity of ownership and authorization to sell the Tag Along Securities.

(g) If the Investor exercises the Tag Along Right, the Tag Along Securities that the Investor shall be entitled to offer shall be determined on the following basis:

(i) the Investor's pro-rata shareholding in the Company on a fully diluted basis, in the event that the Promoter Offered Shares constitute less than 10% (Ten Percent) of the then issued shareholding of the Company on such fully diluted basis; or

(ii) all the Securities held by the Investor in the Company on a fully diluted basis where the Promoter Offered Shares constitute 10% (Ten Percent) or more of the then issued shareholding of the Company on such fully diluted basis.

(h) If the Third Party Purchaser refuses or fails to purchase the Tag Along Securities as provided in this Article, simultaneously with the Promoter Offered Shares, the Promoter shall not be entitled to sell or otherwise transfer the Promoter Offered Shares to the Third Party Purchaser, subject to Article 9.1(a) above. For avoidance of doubt, it is clarified that the Promoter shall also not be entitled to transfer the Promoter Offered Shares thereafter to any person without again complying with the provisions of this Article 9.2.1 (*Sale of Equity Shares by Promoter*).

(i) If the Investor has not exercised its Tag Along Right in accordance with Article 9.2.1(f), the Promoter shall have a period of 90 (ninety) days to sell the Promoter Offered Shares to the same Third Party Purchaser upon the same terms and conditions as specified in the Outside Offer. Any Promoter Offered Shares not sold within the 90 (ninety) day period may not be sold or transferred without again complying with this Article 9.2.1 (*Sale of Equity Shares by Promoter*).

(j) For the avoidance of doubt, it is clarified that where the price payable to the Promoter under the Outside Offer includes any consideration other than cash, the price payable by the Third Party Purchaser to the Investor under such Outside Offer shall include the cash equivalent of such consideration due to the Promoter.

9.2.2 Sale of Investor Securities by the Investor

(a) *Permissible Transfers*

The Investor shall be entitled to sell or transfer all or any of the Investor Securities to:

(i) its Affiliates at any time without any restrictions, or

(ii) a Financial Investor at any time after the Cut Off Date without any restrictions; or

(iii) a Financial Investor at any time prior to the Cut Off Date subject to the provisions of this Article; or

(iv) a Strategic Investor at any time after the Cut Off Date without any restrictions, except that the Investor shall once offer the Investor Securities to the Promoter in terms of Article 9.2.2(c). Provided that, if the Promoter does not acquire the Securities before the expiry of the notice period specified in Article 9.2.2(c), the Investor shall be free to sell the Securities to any Person at any time without having to again offer them to the Promoter ; or

(v) a Strategic Investor at any time prior to the Cut Off Date subject to the provisions of Article 9.2.2(b).

It is expressly clarified that subject to the extent provided in Article 9.2.2(a)(iv) above, the Investor shall be entitled to sell or transfer all or any of the Investor Securities without any restrictions at any time after the Cut Off Date and upon such transfer, all rights of the Investor under these Articles shall pass to the transferee.

For the purpose of this Article 9.2.2 (*Sale of Investor Securities by the Investor*):

(a) "**Financial Investor**" shall mean an investor at least 75% (Seventy Five Percent) of whose business is to invest in other companies; and

(b) "**Strategic Investor**" shall mean an investor other than a Financial Investor.

(b) Subject to Article 9.2.2(a) above, if at any time the Investor (or its Affiliates who hold any Investor Securities) desire to sell or transfer any of the Investor Securities or any part thereof or any interest therein ("**Investor Offered Securities**"), to any Person prior to the Cut Off Date, the Investor shall (a) first

intimate the Promoter in writing, of its intention to do so in case the proposed transferee is a Person other than a Strategic Investor ("**Investor Offer Notice**"); and (b) take prior consent of the Promoter in writing, in case the proposed transferee is a Strategic Investor. The provisions of Article 9.2.2(c) to 9.2.2(f) shall not apply to any sale or transfer of any of the Investor Securities by the Investor to a Strategic Investor prior to the Cut-Off Date.

(c) The Promoter shall have the right, to be exercised by giving written notice thereof to the Investor within 15 (fifteen) days from receipt of the Investor Offer Notice, to offer to purchase the Investor Offered Securities from the Investor. Such offer (the "**Offer**") shall:

(i) clearly state price per Share offered ("**Offer Price**");

(ii) clearly state the other material terms and conditions of the Offer.

(d) Upon receipt of the Offer, the Investor shall have the right, to be exercised by giving written notice thereof to the Promoter, within 15 (fifteen) days of its receiving the Offer, to accept the Offer to buy the Investor Offered Securities or reject the Offer. Failure to respond within the 15 (fifteen) days period shall be a deemed rejection of the Offer.

(e) If the Investor accepts the Offer, the Promoter shall purchase such Investor Offered Securities within 60 (sixty) days from the date of acceptance of the Offer.

(f) If the Investor rejects or is deemed to have rejected the Offer, the Investor shall have a period of 90 (ninety) days from the Offer in which to sell the Investor Offered Securities to a Third Party Purchaser at a higher price than the Offer Price and on other terms that are not more favourable than the Offer Price and terms and conditions as specified in the Offer ("**Outside Offer**"). Any Offered Securities not sold within the 90 (ninety) day period may not be sold or transferred without again complying with this Article 9.2.2 (*Sale of Investor Securities by the Investor*).

9.3 **Acquisition or transfer of Securities through Affiliates**

Notwithstanding any other provision of these Articles (including, without limitation, the Right of First Offer under Article 9.2 (*Right of First Offer and Tag Along Right*)), but subject to the Deed of Adherence in a format prescribed in Annexure 1 to these Articles (a) the Investor or any Affiliate of the Investor may, at any time and from time to time during the subsistence of these Articles acquire any new Securities offered to it by the Company and/or the Promoter under the provisions of these Articles and/or transfer any existing Securities of the Company held by them to one or more of their Affiliates provided that such Affiliates are not engaged, whether directly or indirectly, in any business activity competing with the Business and (b) the Promoter or any Affiliate of the Promoter may at any time and from time to time during the subsistence of these Articles acquire any new Securities offered to them by the Company and/or the Investor under the provisions of these Articles and/or transfer any existing Securities of the Company held by it to one or more of its Affiliates. Provided that the Promoter shall not be entitled to transfer its Securities under this Article 9.3 (*Acquisition or Transfer of Securities through Affiliates*) to more than 4 (four) of its Affiliates at any given point in time and provided such Affiliates are not engaged in any business activity competing with the Business.

9.4 **Invalid Transfers**

The Company shall refuse to register any transfer or other disposition of Securities purported to be made in breach of any of the provisions herein contained. The Parties shall cause their nominees on the Board to cast their votes in such a manner as to ensure that the Company registers all transfers made in accordance with Article 3 and this Article 9 (*Transfer of Securities*), and refuses to register a transfer that is not in accordance with Article 3 and this Article 9.

9.5 **Computation of Time Limits**

For the transfers as contemplated in Article 9 (*Transfer of Securities*), the time taken to obtain the approvals from any Government Authority under applicable Law shall be excluded.

10 **QUALIFIED INITIAL PUBLIC OFFERING**

10.1 In case of an IPO the Company and/or the Promoter shall obtain the prior written consent of the Investor for proceeding with the IPO, in accordance with this Article, including on the pricing and timing of the IPO.

10.2 The Parties shall, upon mutual consultation appoint the financial advisor and issue managers to the IPO.

10.3 In any IPO, Shares shall be listed on any of the Recognised Stock Exchange.

10.4 The Board shall, in consultation with the financial advisor/issue manager appointed in accordance with Article 10.2, and subject to Article 10.3and such statutory guidelines as may be in force, decide on:

(a) The method of listing the Shares i.e. either:

(i) Through a public issue of fresh Shares, or

(ii) Through an offer of existing Shares by some or all the Shareholders (an "**Offer for Sale**");

or a combination of (i) and (ii). Provided that if the Investor wishes to divest all or any part of the Shares held by it at the IPO, the method shall necessarily include (ii) above**.**

(b) The price and other terms and conditions of the IPO.

(c) The timing of the IPO.

(d) The stock exchanges on which the Shares are to be listed.

(e) Any other matters related to the IPO.

10.5 In the event of IPO by way of Offer for Sale, the Investor shall have the right to offer the Shares held by it for sale in the IPO, in priority to other Shareholders of the Company.

10.6 In the event that the existing share capital of the Company is required to be increased for the purpose of the IPO, then subject to the prior written consent of the Investor, the Company shall issue such additional Shares by way of a bonus issue to the existing Shareholders to constitute a valid IPO.

10.7 In the event of an IPO, the Promoter shall offer such number of the Promoter Shares or subscribe to such number of Equity Shares and offer them for a lock-in as may be required to meet the minimum lock-in requirements under the SEBI guidelines. The Investor shall not be required to call itself and the Company shall not refer to the Investor as "Founder" or "Promoter" in the offer documents nor to offer any of the Investor's Shares for such lock-in unless otherwise required by applicable Law or strongly recommended in the best interests of the Company by a firm of independent merchant bankers in which case the minimum number, so required shall be locked-in for the minimum period required after IPO.

10.8 The Parties agree that upon successful completion of the IPO, the fees and expenses relating to the IPO shall be shared as mutually agreed among the Company and the Selling Shareholders, as per applicable Law.

11 MEETINGS

11.1 General Meetings

An annual general meeting of the Shareholders of the Company shall be held within 6 (six) months of the end of the financial year as provided under the Act.

11.1.1 All general meetings other than annual general meeting shall be called extraordinary general meetings.

11.1.2 (i) Subject to the foregoing, the Board, on its own or at the request of the Investor, may convene an extraordinary general meeting of the Shareholders, whenever they deem appropriate.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two Shareholders of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

11.2 Notices for General Meetings

At least 21 (twenty one) days' prior written notice of every annual general meeting of Shareholders shall be given to all Shareholders whose names appear on the Register of Members of the Company. A meeting of the Shareholders may be called by giving shorter notice with the written consent of Shareholders as provided by the Act, including the Investor.

11.3 **Contents of Notice**

The notice shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting. The draft resolutions to be considered at the Shareholders meetings must be furnished to all the Shareholders at least 10 (ten) days prior to the date of the proposed Shareholders meeting, except with the written consent of the Investor.

11.4 **Chairman for General Meeting**

(a) The chairman, if any, of the Board, shall preside as Chairman at every general meeting of the Company.

(b) If there is no such chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the meeting, the directors present shall elect one of their members to be chairman of the meeting.

(c) If at any meeting no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairman of the meeting.

(d) The Chairman shall not have any second or casting vote.

(e) English shall be the language used at all Shareholder meetings and non-English speaking Shareholders shall be required to express themselves through interpreters who shall have entered into prior confidentiality agreements with the Company;

(f) Subject to applicable Law, Shareholders shall be permitted to participate in Shareholder meetings by teleconference or videoconference.

11.5 **Proxies & Other Authorizations**

(a) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Shareholder may vote either by a proxy or by a representative duly authorized in accordance with the applicable provisions of the Act and these Articles and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were in individual Shareholder.

(b) Any Shareholder of the Company may appoint another Person as his proxy (and in case of a corporate Shareholder, an authorized representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy or representative must be in writing. Any Person possessing a proxy or other such written authorization with respect to any Equity Shares shall be able to vote on such Equity Shares and participate in meetings as if such Person were a Shareholder.

(c) Subject to these Articles, any person entitled to transfer any Share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Shares, provided that, at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of his right to transfer such Shares and give such indemnity, if any, as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

(d) Every proxy (whether a Shareholder or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointee is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it. Any committee or guardian may appoint such proxy. The proxy so appointed shall not be entitled to speak at the meeting.

(e) A Shareholder present only by proxy shall also be entitled to vote on a show of hands.

(f) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power of authority duly certified by a Notary Public, shall be deposited at the registered office not later that forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to note.

(g) A vote given in terms of an proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such

proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer has been received at the office before the meeting.

11.6 **Quorum for General Meetings**

Subject to applicable Law, at least 5 (Five) Shareholders, one of whom shall be the Investor represented through its authorised representative and one of whom shall be the Promoter, shall be necessary to form a quorum for a valid general meeting unless the authorized representative of the Investor and/or the Promoter as the case may be, provides written notice prior to commencement of any general meeting or adjourned meeting waiving the requirement of their/his presence to constitute valid quorum for a particular general meeting or adjourned meeting, as the case may be.

11.7 **Adjournment of General Meetings for lack of Quorum**

If a quorum is not present within 30 (thirty) minutes of the scheduled time for any Shareholders meeting or ceases to exist at any time during the meeting, then the meeting shall be adjourned, to the same day, place and time in the next succeeding week (it being understood that the agenda for such adjourned meeting shall remain unchanged). The quorum for such adjourned meeting shall be the Shareholders present thereat, not being less than 5 (Five), but including the authorized representative of the Investor and the Promoter. In the event that within half an hour from the time appointed for such adjourned and reconvened meeting, the requisite quorum is not present, the Shareholders present (being more than one) shall constitute the quorum, provided that items which were not on the agenda for the original Shareholders' meeting shall not be considered at such adjourned Shareholders' meeting and further, notwithstanding anything to the contrary contained elsewhere in these Articles no Reserved Matters shall be considered at such adjourned Shareholders' meeting. Further, if the authorised representative of the Investor is unable to attend the adjourned and reconvened meeting, with respect to the items which shall exclude the Reserved Matters, the Investor shall, prior to the date of the adjourned Shareholders' meeting, have the right to issue a written notice ("**Investor Shareholders Notice**") to the Company and the Promoter indicating its consent or dissent. Provided that failure of the Investor to issue the Investor Shareholders Notice prior to the adjourned Shareholders' meeting shall be deemed to be a dissent in respect of all the items contained in the agenda for the original Shareholders' meeting. Provided further that if the Investor has dissented any item in its Investor Shareholders Notice, the Promoter shall vote in order to ensure that no resolutions are passed with respect to the relevant item in respect of which the Investor has dissented as indicated in the Investor Shareholders Notice and which was part of the agenda for the original Shareholders' meeting.

11.8 **Adjournment of General Meetings otherwise than for lack of quorum**

(a) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(c) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(d) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

11.9 **Decision Making**

Except as otherwise required by the relevant applicable laws and Article 12.12 listing the Reserved Matters which shall require the prior written consent of the Investor, all decisions of the Shareholders of the Company shall be made by simple majority. The matters listed in Article12.12 shall in addition, require the prior written consent of the Investor.

11.10 **Exercise of Voting & Other Rights by Parties**

11.10.1 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 Shareholder present in person shall have one vote; and

(b) on a poll, the voting rights of Shareholders shall be in proportion to his share in the paid-up equity share capital of the Company.

11.10.2 (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

11.10.3 A Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

11.10.4 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll

11.10.5 No Shareholder shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid.

11.10.6 (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

11.10.7 The Promoter shall ensure that he, his representatives and proxies representing him at the general meetings of the Shareholders of the Company shall at all times exercise their votes and through their respective appointed/nominated Directors (or alternate directors) at Board meetings and otherwise, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of these Articles.

11.10.8 If a resolution contrary to the terms of these Articles is passed at any meeting of Shareholders or at any meeting of the Board or any committee thereof, such resolution shall be null and void.

11.11 **Day to Day Management and Information**

11.11.1 The day-to-day management of the Company shall be vested with the Managing Director, subject to the superintendence, guidance and direction of the Board.

11.11.2 The following matters will constitute the business policy of the Company and will be adhered to and followed by the Board and all officers and Employees of the Company at all times, unless the same is modified or changed by a resolution at a general meeting of the Shareholders:

(a) The business of the Company will be carried on in accordance with the policies laid down by the Board and the funds invested by the Investor shall be utilized only for the purposes of the utilization listed out in the SA and the Business Plan from time to time;

(b) The Company shall in consultation with the Investor maintain adequate insurance that is generally available at reasonable rates against all significant insurable risks, including moveable and immovable assets at their replacement or reinstatement values;

(c) The Company shall ensure that the Directors disclose to the Board in writing any conflict of interest, or direct or indirect personal benefit in any contracts that the Company enters into with third parties and that they operate in the best interests of the Company and safeguard its assets at all times;

(d) The Company shall have in its own name at all times, all licenses, registrations, permits and consents necessary to own and operate its assets and to carry on the Business;

(e) The Promoter, the Investor and the Directors nominated by them will not divulge or communicate to any person other than their management, any Confidential Information without the specific approval of the Board except to such extent as may be required to comply with any applicable law, order, regulation or ruling.

11.12 The Company shall furnish to the Investor and/or its assignees/nominees the following:

(a) a monthly management review, in a pre-agreed format, within 14 (fourteen) days after the end of each month, detailing the key operational performance indicators, including amongst others sales, significant cash inflows/outflows and key items of the balance sheet ;

(b) unaudited quarterly income statements and cash flow of the Company for every quarter as well as for the period commencing from the beginning of a fiscal year to the end of the relevant quarter and an unaudited balance sheet, within 30 (thirty) days following the close of every quarter;

(c) audited statements of income, cash flows and Shareholders' equity for the fiscal year and a balance sheet as of the end of the fiscal year accompanied by the report of an independent certified public accountant of recognized standing acceptable to the Investor, within 90 (ninety) days of the close of each fiscal year;

(d) minutes of the meetings of the Board, any committee of the Board and the meeting of the Shareholders no later than 7 (seven) days following the date of such meeting;

(e) details of any significant event impacting the Company no later than 7 (seven) days following the date of occurrence of any such event;

(f) annual Business Plan (including an income statement, a statement of cash flow, a balance sheet and detailed breakdown of working capital and head count), within 15 (fifteen) days from the beginning of the fiscal year;

(g) a bi-monthly report (within 2 (two) weeks of the end of the relevant period), on utilisation of funds invested by the Investor in the Company as contained in these Articles, until such time as such funds are fully utilised or the Investor issues a certificate stating that the same is not required any further, whichever is earlier;

(h) details of the capital expenditure budgets, management reporting information and all other relevant information no later than 15 (fifteen) days following the date on which such information is available with the Company; and

(i) all other relevant information reasonably requested by the Investor or the Investor Directors from time to time.

12 DIRECTORS

12.1 Directors

The Company shall be managed by the Board of Directors who shall have powers to do all acts and take all actions that the Company is authorized to do, subject only to the proviso that those matters that are statutorily required under the Act to be approved by the Shareholders shall be referred for approval by the Shareholders.

12.2 Board Composition

(a) Immediately on Closing and thereafter, the Shareholders shall take all necessary action to ensure that the Board shall be re-constituted as follows:

(i) The composition of the Board shall be in compliance with the requirements of applicable Law for a public listed company, provided that the Investor shall continue to have the right to nominate and appoint (i) upto 2 directors on the Board; or (ii) such number of directors, in proportion to their shareholding in the Company, whichever is higher.

(ii) in addition the Investor shall be entitled to appoint one observer, who shall have the right to attend and participate in all meetings of the Board. Such observer however shall not have the right to vote at such Board meetings.

(b) In addition to the above, the Investor shall also be entitled to nominate and appoint a director on the board of the subsidiaries, joint ventures, Associated Companies and undertakings of the Company. The Investor shall also be entitled to appoint one observer, who shall have the right to attend and participate in all meetings of the board of directors of such subsidiaries, joint ventures, Associated Companies and undertakings of the Company. Such observer however shall not have the right to vote at such board meetings. All reasonable expenses and costs incurred by the observer appointed by the Investor shall be borne by the Company.

12.3 Manner of Appointment of the Directors and Term

(a) In pursuance of Article 12.2 (*Board Composition*), the power to remove a Director lies solely with the Party so entitled to nominate that Director. Each Party so entitled, may by notice in writing signed by

them and left at or sent to the registered office of the Company, nominate their nominee Directors and by like notice remove any Director so appointed. The Party nominating a Director shall from time to time, by like notice, have the right to appoint any other person to be a Director in the place of the Director so removed or in the place of any Director vacating office as a result of being removed by that Party or in any other way. Provided that if the appointment of a Director as aforesaid is not permitted by applicable Law, the Board, as soon as practicable (and in any event prior to the consideration of any other matter) upon notice from any Party nominating the Director, shall appoint and/or remove such Director(s) and appoint any replacement director designated or nominated by such Party. Provided always that the Promoter Directors shall always be executive Directors.

(b) In the event that under applicable Law, the Directors are required to be appointed by the Shareholders or otherwise that as per the procedure set out in sub-clause (a) above, the Parties will exercise their respective voting rights to ensure that the composition of the Board as agreed in Article 12.2 (*Board Composition*) is achieved.

12.4 **No Qualification Shares**

A Director need not hold any qualification Shares.

12.5 **Vacation of Office by a Director**

The office of a Director shall be vacated if:

(a) such Director becomes bankrupt or makes any arrangement or composition with his creditors generally; or

(b) such Director becomes prohibited or disqualified from being a Director by a reason of any order made under applicable provisions of the Act or any other provisions of Law; or

(c) such Director resigns his office by notice in writing to the Company.

12.6 **Casual Vacancies**

If any Director dies, resigns, vacates or is removed from office before his term expires, the resulting casual vacancy may be filled by a nominee of the Party who originally nominated the Director vacating office, but any person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no vacancy had occurred.

12.7 **Proceedings of Board**

The Board shall approve decisions or pass resolutions and grant consents only at meetings held in accordance with the following procedures:

(a) Number of Board Meetings and Venue

The Board shall meet at least once every quarter and at least 4 (four) times in every calendar year, in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. Meetings of the Board shall be held at such place, within or outside India, as the Directors including the Investor Director(s) agree, from time to time. Subject to applicable Laws, all reasonable expenses and costs incurred for such meetings by the Board, including the reasonable expenses and costs incurred by the observer appointed by the Investor, shall be borne by the Company. A Board meeting may also be held by teleconference or video conferencing and/or the presence of a Director at a meeting may be recorded if he is present over telephone or video conferencing, if such meeting or presence, as the case may be, is not contrary to Law.

(b) Convening Meetings of the Board

Any Director may, and the secretary of the Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out in paragraphs (c) and (d) below.

(c) Notice for Board Meetings

At least 7 (seven) days prior written notice shall be given to each of the Directors of any meeting of the Board. A meeting of the Board may be held at shorter notice with the written consent (which may be

signified by letter, facsimile or e-mail with receipt acknowledged) of at least 3 (Three) Directors including the written consent of at least 1 (One) Investor Director and 1 (One) Promoter Director.

(d) Contents of Notice

Every notice convening a meeting of the Board shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate Directors. The draft resolutions and other documents for all matters to be considered at the Board meeting must be furnished to all the Directors at least 7 (seven) days prior to the date of the proposed Board meeting, except where such meeting is called on shorter notice in which case these must be furnished to all Directors as much in advance of the meeting as reasonably practical. The secretary (if any) of the Company or the Managing Director of the Company shall prepare the notice for the meetings. If the secretary is unavailable or the Managing Director is unavailable, unwilling or unable to do so, the Director that summoned the meeting shall prepare the notice.

(e) Quorum for the Board Meetings

Subject to the provisions of the Act, the quorum for a Board meeting shall be 1/3 (one-third) of its total strength or 2 (Two) Directors, whichever is higher, subject to a minimum of 1 (One) Promoter Director and one Investor Director, where any Investor Director(s) has/have been nominated by the Investor.

A meeting of the Board shall not be held or continued without the presence, at all times, of the quorum unless such Director has expressly waived the requirement for his presence either in writing or by facsimile transmission.

If a quorum is not present within 30 (thirty) minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during the meeting, then the meeting shall be adjourned, for a period determined by the Chairman, which period shall not be less than 7 (seven) days (it being understood that the agenda for such adjourned meeting ("**First Adjourned Meeting**") shall be the same as the agenda for the original meeting). Notice of the First Adjourned Meeting shall be given to all Directors by facsimile transmission or e-mail with receipt acknowledged. If a quorum is not present within 30 (thirty) minutes of the scheduled time for the First Adjourned Meeting of the Board or ceases to exist at any time during the meeting, the meeting shall be adjourned, for a period determined by the Chairman, which period shall not be less than 7 (seven) days (it being understood that the agenda for such adjourned meeting ("**Second Adjourned Meeting**") shall be the same as the agenda for the First Adjourned Meeting. Notice of the Second Adjourned Meeting shall be given to all Directors by facsimile transmission or e-mail with receipt acknowledged. If the quorum is not present within 30 (thirty) minutes of the scheduled time for the Second Adjourned Meeting of the Board, the Directors present (being more than one) shall constitute the quorum, provided that items which were not on the agenda for the original Board meeting shall not be considered at such Second Adjourned Meeting and further, notwithstanding anything to the contrary contained elsewhere in these Articles no Reserved Matters shall be considered at such Second Adjourned Meeting. Further, if the Investor Director is unable to attend the Second Adjourned Meeting, with respect to the items other than the Reserved Matters, the Investor shall, prior to the date of the Second Adjourned Meeting, have the right to issue a written notice ("**Investor Board Notice**") to the Company and the Promoter indicating his consent or dissent in respect of each item. Provided that if the Investor Board notice is not received by the Company prior to the Second Adjourned Meeting, the Investor shall be deemed to be in dissent in respect of all items contained in the agenda for the original Board meeting. Provided further that if the Investor has dissented any item in its Investor Board Notice, the Promoter shall vote in order to ensure that no resolutions are passed with respect to the relevant item in respect of which the Investor has dissented as indicated in the Investor Board Notice and which was part of the agenda for the original Board meeting.

(f) Conduct of Proceedings at the Board Meetings

English shall be the language used at all Board meetings and non-English speaking Directors shall be required to express themselves through interpreters who have entered into confidentiality agreements with the Company.

(g) Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

(h) Foreign Register

The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

(i) Committees of the Board

(i) A committee of Directors or other Persons to whom any powers of the Board are delegated, can be appointed only by the Board. The Promoter and the Investor shall have the right to appoint 1 (One) nominee as member(s) of any such committee. In addition, the Investor shall be entitled to appoint one observer, who shall have the right to attend and participate in all meetings of any such committee. Such observer however shall not have the right to vote at such meetings. It is clarified that the Board shall lay down the provisions pertaining to the conduct of the meetings of any committee constituted under this Article 12.7(i) (*Committees of the Board*).

(ii) The Company shall constitute a remuneration committee of the Company ("**Nomination & Remuneration Committee**") in the manner indicated in sub-article (i) above. In addition to any other duties/responsibilities of the Compensation Committee, the Compensation Committee shall discharge the following functions, subject to applicable Law:

(a) Recommending any significant changes in the terms of the Employment Agreements of the Key Employees;

(b) Increase in remuneration of any Director or Managing Director or any scheme of profit sharing for the benefit of any Employee;

(iii) The Company shall constitute an existing audit committee of the Company ("**Audit Committee**") in the manner indicated in sub-article (i) above. In addition to any other duties/ responsibilities of the Audit Committee, the Audit Committee shall discharge the following functions, subject to applicable Law:

(a) Recommend changes in the financial year for preparation of audited accounts; and

(b) Recommend changes to accounting or tax compliance policies or practices

(iv) The Company shall constitute a Corporate Social Responsibility Committee of the Company ("**CSR Committee**") in the manner indicated in sub-article (i) above which shall be responsible to discharge functions as provided under the Act.

(j) Circular Resolutions

The Board may act by written resolution, or in any other legally permissible manner, on any matter, except for matters specified otherwise in these Articles or which by law may only be acted upon at a meeting. Subject to any restrictions imposed by Law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors, as provided in various provisions of these Articles. If a Director, does not convey his acceptance or rejection of the proposed resolution within 15 (fifteen) days from the date of receipt of the requisite documentation including explanatory statements and supporting documents, he shall be deemed to have rejected the proposed resolution.

(k) Chairman

The Promoter and Investor shall jointly appoint the Chairman of the Board. If the Chairman has not been so appointed or is not present within thirty minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

(l) Alternate Directors

The Company and the Promoter shall take all necessary steps to cause the Board, at the request of any of the Investor Director(s), to accept the appointment of an alternate Director recommended by such Investor Director(s), to act in such Director's absence or an additional Director to fill any vacancy caused due to resignation or removal of an Investor Director.

(m) Additional Directors

(i) Subject to the provisions of section 149 of the Act and Article 12.12, 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.

(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.

(n) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

(o) Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

Subject to the provisions of the Act and Article 12.12:

(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 thinks 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.

A provision of the Act or these Articles requiring or authorising 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.

(p) **Accounts**

(i) Subject to the provisions of Article 20,the Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Shareholders not being directors.

(ii) Subject to the provisions of Article 20, no Shareholder (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

12.8 **Remuneration**

12.8.1 The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

12.8.2 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 of Directors or any committee thereof or general meetings of the Company; or

(b) in connection with the Business of the Company.

12.9 **Decisions of the Board**

Subject always to the affirmative voting rights of the Investor as contained in the provisions of Article 12.12 (*Affirmative Voting Requirements*):

(a) All questions arising at any meeting of the Board or decision by circular resolutions shall be decided by a simple majority of votes.

(b) All the matters relating to execution of an agreement or any contract or arrangement, including granting of loans, between the Company on the one hand and any or all of the Directors, Promoter and/or his Affiliates on the other hand or the matters relating to termination of such agreements, contracts or arrangements shall be discussed and decided upon only at the meetings of the Board.

12.10 **Validity of acts done**

All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

12.11 **Liability of Investor Directors**

(a) The Investor Directors shall be non-executive Directors.

(b) The Investor Directors shall not be identified as officers in charge/default of the Company or occupier of any premises used by the Company or an employer of the Employees. Further, the other Directors or suitable persons shall be nominated as officers in charge/default and for the purpose of statutory compliances, occupiers and/or employers as the case may be in order to ensure that the Investor Directors do not incur any liability.

12.12 **Affirmative Voting Requirements**

Notwithstanding any other provision of these Articles or any power conferred upon the Board by the Act or the Articles, the Parties shall ensure that at any time prior to the successful closing of an IPO or a Fall Away Event, the Company and each Subsidiary shall refrain from undertaking any of the matters specified herein below as the Reserved Matters unless such matters shall have been approved in writing by the Investor .

The Reserved Matters referred to in this Article are as under:

1. any amendments to or any proposal to amend the Memorandum or Articles of Association of the Company;

2. change in the number of Directors or replacing the Investor Directors or the independent Director as a Director or changing the constitution or strength of the Board including change in the number of Board members; or any rotation of Directors, excluding the Promoter Directors;

3. any change or alteration in the rights, preferences or privileges of Securities including but not limited to the Investor Securities, any alteration in the rights of any class of the Shareholders, any redemption, buy-back or extinguishing of Securities;

4. acquisition or disposal of Shares or assets of other businesses, creation of joint ventures/partnership, mergers, de-mergers, reconstitution or consolidation of the Company or any of its subsidiaries or taking any decision to dissolve or to wind up or liquidate the Company or a strategic sale of the Company or any of its subsidiaries;

5. any related party transaction which is not pre-approved;

6. affiliated party transactions, agreements or arrangements between the Company and the Promoter or their Affiliates and any transaction, agreement or arrangement between the Company, and any entity or firm, in which any of the Promoter or any of their Affiliates has a financial interest of more than 26% (Twenty Six Percent).

7. finalizing or approving the annual Business Plan or any matter relating to the Business Plan, or varying (subject to Article 18.3 (*Variance to Business Plan*)) the annual Business Plan or any related party transaction;

8. any IPO by the Company;

9. except as agreed in the annual Business Plan:

   (a) any increase in the issued, subscribed or paid-up equity or preference share capital of the Company, or re-organization of the share capital of the Company, including new issue of Shares

or other securities of the Company or any preferential issue of Shares or redemption of any Shares, issuance of warrants, or grant of any options over its Shares by the Company any future investments by third parties in the Company's Securities, any transfer of Securities (save and except for any transfer of Shares effected by a Party in accordance with Article 9 (*Transfer of Securities*) above;

(b) any change in the scope of Business, entry into any new line of business which is unrelated to the Business of the Company; suspension or cessation of Business or transfer of all or material portion of the Business outside the Business Plan;

(c) commencement of business/ unit/ division in a overseas territory for product/ service hires;

(d) capital expenditure including acquisition of assets, construction or lease, in excess of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) per transaction or in excess of a value of Rs. 2,00,00,000/- (Rupees Two Crores Only) per annum;

(e) aggregate borrowing and the incurrence of Indebtedness will be limited to a debt:equity ratio of 2:1 or a debt:EBITDA of 3:1, whichever is lower;

(f) the formation of, investment in or operation by the Company of any subsidiary, or collective investment vehicle;

(g) creation of investments other than short-term liquid investments in banks or any activity relating to derivatives transaction;

(h) divestment of Shares of any subsidiary;

(i) divestment of or sale of assets of businesses, lease, license, assign, transfer, exchange, pledge or in any other way proposing to dispose of any assets or undertaking of the Company in excess of Rs. 50,00,000/- (Rupees Fifty Lakhs Only) for individual transactions, or Rs.2,00,00,000/- (Rupees Two Crores Only) on a cumulative basis, in any financial year or substantially all of the assets or undertaking or the Company;

(j) any agreement, arrangement, transaction, sale, license, transfer or assignment of any IP Rights including those relating to copyrights, trademarks, patents and designs;

(k) approval of any new scheme or plan for grant of employee stock options, or sweat equity Shares to any person or entity, including any modification to any new or existing scheme or plan;

(l) creation of any Indebtedness greater than 115% (One Hundred and Fifteen percent) of the indebtedness contemplated in the annual operating budget of the Company;

(m) approving the terms of any financial assistance or recommendation, giving or renewing of security for or the guaranteeing of debts or obligations of the Company or any subsidiary company and/or Affiliates of any Person;

(n) setting up of salary and benefits of any Employee with a total cost to the Company or any of its subsidiaries exceeding Rs. 30,00,000/- (Rupees Thirty Lakhs only) per annum;

(o) appointment of sole selling agents or marketing representatives/ agents to who payments on an annual basis are to be more than Rs. 1,00,00,000/- (Rupees One Crore Only);

(p) changes to material accounting policies or practices, or any change in the financial year for preparation of audited accounts.

10. to appoint, remove, or dismiss the Company's Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, if any (by whatever designations called);

11. approving compensation and remuneration of all Directors including any distribution of profits, save and except to the extent already provided in the Business Plan;

12. any loans or advances to any person or company not provided in the Annual Business Plan of a value in excess of Rs. 10,00,000/- (Rupees Ten Lakhs Only) except in ordinary course of business;

13. for financial year 2012 and financial year 2013, recommendation of declaration of dividend in excess of 10% (Ten Percent) of the paid up share capital of the Company and after the expiry of financial year 2013, recommendation of declaration of any dividend in excess of 20% (Twenty Percent) of Profit After Tax for any year or setting aside of amounts for any dividend and the establishment or change of the dividend policy of the Company or its subsidiary;

14. any change in name of the Company;

15. any resolution to appoint or re-appoint or for the removal of statutory and/ or internal auditors for the Company;

16. approving any action taken towards or to appoint any advisors in connection with a potential sale or flotation of the Company;

17. creating any Encumbrance, or proposing the acquisition, sale, lease, transfer, license or in any other way proposing to dispose off any assets or undertaking of the Company and/or its Affiliates in excess of Rs. 2,00,00,000/- (Rupees Two Crores Only) or more in a single transaction or on a cumulative basis i.e. in more than one transaction in any calendar year, or substantially all the assets or undertaking of the Company and/ or its Affiliates.

18. entering into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company and/ or its Affiliates to pay an amount of Rs. 5,00,00,000/- (Rupees Five Crores Only) or more in a single transaction or on a cumulative basis i.e. in more than one transaction in any calendar year, or impose, or is likely to impose on the Company and/or its Affiliates any liability in excess of Rs. 2,00,00,000/- (Rupees Two Crores Only) or imposes or is likely to impose on the Company and/or its Affiliates any obligation or liability, which is not capable of being quantified in monetary terms;

19. commencement or settlement of litigation where the amount involved is above Rs. 2,00,00,000/- (Rupees Two Crores Only) in any particular financial year;

20. winding up and/or liquidation of the Company and/or its Affiliates;

21. shifting of registered office of the Company;

22. delegation of authority or any of the powers relating to any matter contained in this clause of the Board of the Company and/or its Affiliates to any individual or committee;

23. any transfer of Shares of the Company otherwise than by the Investor or the Promoter to an Affiliate in accordance with these Articles;

24. any commitment or agreement to do any of the foregoing.

12.13 **Interested Directors and Disclosures**

12.13.1 Subject to the provisions of the Act, every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contact or arrangement entered into or proposed to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act.

12.13.2 Subject to the provisions of the Act and these Articles, a general notice given to the Board by the Director with regard to his interest in any company, firm or person shall be regarded as disclosure of his concern or interest in any contract or arrangement which may, after the date of the notice, be entered into with such company, firm or person. Any such general notice shall expire at the end of the financial year. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

12.13.3 No Director shall participate in the discussion or decision-making in respect of a contract or arrangement with an interested party.

13 ALTERNATE EXIT OPTIONS

13.1 **Buy back and Put Option Right**

(a) Subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force and subject to the provisions of these Articles, the Company may purchase its own Shares or other specified securities.

(b) Any buy back of Shares by the Company shall require the prior consent of the Investor. Any buy-back initiated by the Company and the Promoter pursuant to the exercise of the rights by the Investor under sub-clause (c) below shall not require any approval of the Investor.

(c) In the event that an IPO is not consummated or a Material Breach has been committed by the Promoter, and no other satisfactory exit is offered to the Investor by the Cut-Off Date, the Investor shall have a right exercisable no later than 27 (twenty seven) months after the Cut-Off Date to require the Promoter to purchase all or such of the Investor Securities as are offered by the Investor ("**Put Option**") at an agreed price as defined below ("**Agreed Price**") to be determined in the order set forth below.

(d) Upon exercise of the Put Option by the Investor, the Promoter shall be obliged to purchase or cause to be purchased the Investor Securities in any of the following order:

(i) arrange for a buy back of the Investor Securities by the Company ("**Buyback**"); and/or

(ii) if an exit under sub-clause (i)above is not possible, purchase the Investor Securities himself; and/or

(iii) if an exit under either clause (i) or (ii) above is not possible, procure a bonafide Third Party Purchaser to purchase the Investor Securities.

(iv) lastly, if an option under either (i), (ii) or (iii) above is not possible, a combination of two or more of the above**.**

The Agreed Price shall be a price equivalent to the higher of Fair Market Value ("**FMV**") of the Shares or an internal rate of return of 20% (Twenty Percent) per annum compounded annually on the per Share Subscription Price paid by the Investor plus all declared and unpaid dividends and unpaid coupons. The Investor shall be obliged to sell the Shares offered by the Investor under the Put Option only if the price offered to the Investor under the Put Option is equivalent or higher than to the agreed price as stated herein.

(e) The FMV of the Investor Securities shall be determined by one of the Big Four Auditing Firms registered in India ("**Valuer**"), appointed by mutual consultation among the Parties for the purpose within a period of 30 (thirty) days from the exercise of the Put Option by the Investor. The fees of the Valuer shall be borne by the Company and/or the Promoter.

(f) Once the Parties approve the FMV, the Company and the Promoter shall have 120 (one hundred and twenty) days from the date of finalisation of the FMV to complete the Buyback or purchase of the Investor Securities, as the case may be under the Put Option.

(g) In the event the Company proposes a Buyback of the Investor Securities as required in this Article 13.1(*Buy Back and Put Option Right*), the Promoter and the Other Existing Shareholders shall not tender their Shares for buy back in such Buyback offer nor shall they raise any objection to the Company accepting the tender by the Investor of its Shares under such Buyback offer made by the Company. It is also clarified that if in order to complete the Buyback of the Investor Securities, in the event the Company is required to liquidate and/or sell any of its assets / properties, the sale proceeds of such liquidation will be held in escrow in a manner agreed to between the Parties and shall be utilized exclusively to first pay in full the Agreed Price to the Investor and the surplus, if any remaining after such payment shall be utilized by the Company in the manner it deems fit. However, it is clarified that upon the Parties agreeing to the escrow mechanism, the Investor shall not be entitled to exercise its affirmative vote on any resolution containing any matter relating to such liquidation and/or sale of assets/properties.

(h) In the event that the Investor Securities are sold to a Third Party Purchaser under the Put Option, the Investor shall not be required to give to the Third Party Purchaser, any representations and/or warranties in respect of the Company or the Business or the Investor Securities being sold by the Investor except for representations and warranties regarding the validity of ownership and authorization to sell the Investor Securities.

13.2 **Drag Along Rights & Strategic Sale**

In the event that the Company and/or the Promoter are unable to conclude an exit for the Investor by (i) June 30, 2017; or (ii) within 180 (one hundred and eighty) days from the date of exercise of the Put Option as per Article 13.1 (*Buy Back and Put Option Right*), whichever is earlier, the Investor shall have a right to implement a strategic sale, which may involve transfer of upto 100% (One Hundred Percent) of the shareholding of the Company on a fully diluted basis. In such an event, the Investor shall have the right to call upon the Promoter and the Other Existing Shareholders to sell all or part of the Shares held by them respectively to complete any shortfall in the number of Shares so desired by the Third Party Purchaser from the Investor, upon terms no less favourable than those offered to the Investor for the Investor Securities, along with the Investor Securities which the Investor wishes to sell/transfer to a Third Party Purchaser to complete such a sale/merger. In such event, if the Third Party Purchaser so desires, upon all of the Investor Securities having been offered for sale to such Third Party Purchaser, the Promoter and the Other Existing Shareholders shall be obligated to sell such number of the Shares held by them respectively along with the Investor on the same terms and conditions, as the Investor sells the Investor Securities.

(a) Upon completion of the sale referred to in Article 13.2(a) the new buyer/ investor shall enjoy the same rights and privileges as the Investor, to the maximum extent permissible by Law.

(b) In the event of a strategic sale referred to in Article 13.2(a), the Investor shall not be required to give to the strategic buyer/investor, any representations and/or warranties in respect of the Company or the Business or the Investor Securities being sold by the Investor except for representations and warranties regarding the validity of ownership and authorization to sell the Investor Securities. The Promoter shall however, be required to give such standard representations and warranties as would be expected of a promoter and person in control and management of a company.

(c) After completion of the strategic sale referred to in Article 13.2(a), the Promoter and the Key Employees shall continue to be employed with the Company on such terms of employment as may be agreed to between the Promoter and the Third Party Purchaser.

13.3 **Material Breach**

Notwithstanding anything to the contrary contained in these Articles, in the event of a Material Breach at any time, the Investor shall have the right, in the order specified below, to:

(a) exercise the Put Option Right in accordance with the provisions of Article 13.1(*Buy Back and Put Option Right*);

(b) if the Put Option is not exercised or completed within the time prescribed in Article 13.1 (*Buy Back and Put Option Right*), (i) sell or transfer all or any of the Investor Securities without having to comply with the provisions of Article 9.2.2(b) to Article 9.2.2(f) and/or (ii) exercise the Drag Along Right in accordance with the provisions of Article 13.2 (*Drag Along Rights & Strategic Sale*);

It is expressly clarified that the rights of the Investor under this Article 13.3 (*Material Breach*) shall include all the Investor Securities.

14 **ACTIONS OF THE COMPANY POST CLOSING**

The Company shall not engage in the business of investing, trading, and reinvesting in securities and any surplus cash shall be invested by the Company only in accordance with the policy formulated by the Investor in this regard at Closing.

15 USE OF PROCEEDS

15.1 The Company shall utilize the First Tranche Subscription Price received by the Company from the Investor in the following manner unless otherwise mutually agreed with the Investor.

(a) Rs. 10,00,00,000/- (Rupees Ten Crores Only) for opening of new retail outlets;

(b) Rs. 50,00,00,000/- (Rupees Fifty Crores Only) for additional warehouse space/service centres (boutique manufacturing units);

(c) Rs. 2,00,00,000/- (Rupees Two Crores Only) for group ERP implementation; and,

(d) Rs. 18,00,00,000/- (Rupees Eighteen Crores Only) for Working Capital purposes.

Provided that any deviation in the sub limits mentioned in sub-clauses (a), (b) and (d) above beyond 10% (Ten Percent) of the First Tranche Subscription Price shall require the prior written consent of the Investor.

No part of the Subscription Price received from the Investor pursuant to the subscription of the First Tranche Subscription Securities or in the future, shall be used by the Company in any manner whatsoever to settle any claims, losses, costs and expenses arising out any dispute relating to Vishal Precision Steel Tubes and Strips Private Limited, including but not limited to the appeal filed appeal filed by Vishal Precision Steel Tubes and Strips Private Limited and pending before the Customs, Excise and Service tax Appellate Tribunal at Bangalore in respect of the show cause notice (C.No. V/73/15/61/2008 C.I) under which a demand of Rs. 13,97,69,890/- (Rupees Thirteen Crores Ninety Seven Lakhs Sixty Nine Thousand Eight Hundred and Ninety Only) raised by the authorities.

The Company shall not make any further investment in Vishal Precision Steel Tubes and Strips Private Limited save as otherwise provided in the Memorandum of Understanding dated 3 April 2010 entered into between the Company and the shareholders of Vishal Precision and in the Memorandum of Understanding dated 21 August 2010 entered into between the Company and Mr. Vishal Mehra or (ii) act in any other matter relating to this Company, in a manner which could reasonably be expected to otherwise result in a material diminution of the benefits to the Investor of the transaction contemplated by its investment in the Company.

16 BORROWINGS

16.1 The Board may with the consent of the Company by a special resolution, and subject to the provisions of these Articles, including Article 12.12, borrow money where the money to be borrowed together with money already borrowed exceeds aggregate of its paid up capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business. The expression "temporary loans" means loans repayable on demand or within six months from the date of loan such as short term, cash credit arrangements, the discounting of bills, and issue of other short term loans of seasonal characters, but does not include loans raised for the purpose of financial expenditure of a capital nature.

16.2 In the event that the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investor shall not be asked, or be required to give any warranties, letter of comfort and/ or guarantees, of any nature whatsoever for any loans or with regard to any aspect of the business or functioning of the Company unless otherwise mutually agreed between the Parties.

16.3 The Investor shall likewise not be required to pledge its Shares or provide any support to any third party, including but not limited to lenders of the Company and the Company.

17 DIVIDENDS AND RESERVE

17.1 The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

17.2 Subject to the provisions of section 123 of the Act and these Articles, including Article 12.12 (*Affirmative Voting Requirements*), the Board may, from time to time, pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.

17.3 (i) The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

17.4 (i) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

(ii) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Article as paid on the Share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.

17.5 The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares of the Company.

17.6 (i) Any dividend, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

17.7 Any one of two or more joint holders of a Share may give effective receipts for any dividends, bonuses or other monies payable in respect of such Share.

17.8 Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

17.9 No dividend shall bear interest against the Company.

18 BUSINESS PLAN

18.1 **Preparation of Business Plan**

The Business of the Company will be conducted in accordance with a Business Plan for the succeeding financial year. Each annual Business Plan shall be prepared under the direction and supervision of the Managing Director and shall be updated at least 30 (thirty) days prior to the beginning of each financial year of the Company. The initial Business Plan of the Company shall be updated to reflect the timing and quantum of the investment by the Investor.

18.2 **Approval of Business Plan**

The Business Plan shall be approved by the Board. Each update of the Business Plan shall be subject to the approval by the Board and must have the consent of the Investor. The Business Plan may be amended only by a resolution of the Board of the Company

18.3 **Variances to Business Plan**

Any proposed variance to the Business Plan or the budgets contained therein to the extent of more than 20% (Twenty Percent) shall be brought to the immediate attention of the Parties and the Board along with reasons for such variance and shall not be implemented without the prior consent of the Investor.

19 AUDIT

19.1 **Financial and accounting records**

The Company shall maintain true and accurate financial and accounting records of all operations in accordance with all relevant Indian statutory and accounting standards and the policies from time to time adopted by the Board. The financial statements and accounts of the Company shall be prepared in English and shall be audited on an annual basis.

19.2 **Statutory Auditors**

The Company shall in a general meeting shall appoint any one of the Top 5 auditors registered in India as the statutory auditors for the for the Company, subject to the prior written consent of the Investor, which consent shall not be unreasonably withheld. The Company will make such an appointment within 12 (twelve) months of Closing unless agreed otherwise with the Investor.

19.3 **Audit Committee**

The Company shall constitute an existing audit committee of the Company ("**Audit Committee**") in the manner indicated in Article 12.7(i)(iii) above. In addition to any other duties/responsibilities of the Audit Committee, the Audit Committee shall discharge the following functions, subject to applicable Law:

(a) recommend changes in the financial year for preparation of audited accounts; and

(b) recommend changes to accounting or tax compliance policies or practices.

20 RIGHT OF INSPECTION

The Investor shall, at all times, by giving a notice of at least 3 (three) days, be entitled to carry out inspection of site, stores, accounts, documents, records (including but not limited to corporate and financial records), premises, and equipment and all other property of the Company during normal working hours through its authorized representatives (such as the Investor's lawyers, accountants, auditors or other professional advisors) and/or agents at their own cost and the Company shall use reasonable efforts to provide such information, data, documents, evidence as may be required for the purpose of and in the course of such inspection in connection therewith. The Investor shall be entitled, at its own cost and expense, to consult with the statutory auditors of the Company regarding the financial affairs of the Company.

21 RELATED PARTY TRANSACTIONS

Any transactions with related parties shall be conducted by the Company at commercially justifiable terms and at an arms length basis, and shall always be subject to the written approval of the Investor.

22 FALL AWAY PROVISION

All special rights available to the Investor (i.e. rights which are not available to all other Shareholders in their capacity as Shareholders of the Company), shall cease to be available to the Investor upon occurrence of the Fall Away Event save and except the Investor's Tag Along Rights in terms of Article 9.2.1(f) above.

23 INTELLECTUAL PROPERTY RIGHTS

All the IP Rights arising out of the performance by the Company of its Business and the inputs of the Promoter in the course of their association with the Company, shall be owned by the Company and all Parties will assist the Company in securing such IP Rights as the Company may own by filing for appropriate protection under applicable Laws or separate written in the name of the Company. No Party will act in any manner derogatory to the proprietary rights of the Company over such IP Rights. All IP Right, or IP Rights arising from development of solutions, projects executed, databases, copyrights, trademarks, brand name, and other IP Rights, wherever registered, are registered exclusively in the name of the Company.

24 DOCUMENTS AND NOTICES

24.1 A document or notice may be served or given by the Company on a Shareholder either personally or by sending it by post to him to his address as recorded in the register of members. In case the Shareholder has no registered address in India, then to the address, if any, in India supplied by him to the Company.

24.2 Where a document or notice is sent by post, document or notice shall be deemed to have been served, if properly addressed, stamped and posted. Where a Shareholder has intimated to the Company in advance that the documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to have been served unless it is sent in the manner required by the Shareholder. Such service shall be deemed to have been effected at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time at which the letter is delivered in the ordinary course of post.

24.3 A document or notice advertised in a newspaper, in circulation in the district where the Office is situated shall be deemed to be duly served or sent to every Shareholder who has no registered address in India has not supplied to the Company an address within India on the day on which the advertisement appears.

24.4 A document or notice shall be deemed to have been served or given by the Company on or to the joint holders of Shares by serving or giving the documents or notice on or to the joint holder named first in the Register of Members. A document or notice may be served or given by the Company on or to the persons entitled to a Share in consequence of the death or insolvency of a Shareholder by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased or receiver of the insolvent at the address in India

supplied for the purpose by the persons claiming to be so entitled and if not supplied by serving the document or notice in any manner in which the same would have been given if the death or insolvency had not occurred.

24.5 Documents or notices of every General Meeting shall be served or given to every Shareholder, every person entitle to a Share in consequence of the death or insolvency of a Shareholder and to the Auditor or Auditors for the time being of the Company.

24.6 Every person who, by operation of law, shall become entitled to any Share by transfers or otherwise whatsoever, shall be bound by every document or notice in respect of such Shares served to the address entered on the Register of Members.

24.7 Any documents or notice to be served or given by the Company may be signed by a Director or the Secretary or any other person duly authorized by the Board for such purpose and the signature thereto may be written, printed or lithographed.

24.8 All documents or notices to be served or given by Shareholders on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer at the Office by post under a certificate of posting or by registered post, or by leaving it at the office of the Company.

24.9 **WINDING UP**

Subject to the provisions of Chapter XX of the Act and rules made thereunder

(a) The Liquidator may, up on winding-up of the Company, whether voluntary or statutory, with the sanction of special resolution of the Company or with any other sanction required by the Act and subject to these Articles, divide among the Shareholders or contributories, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, subject to the provisions of these Articles including Article 7 and Article 12.12, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

(c) 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 Shareholder shall be compelled to accept any Shares or other securities whereon there is any liability.

25 INDEMNITY

25.1 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.

Subject to the provisions of the Act, the Managing Director, every Director of the Company or Manager, Secretary and other Officers or employees of the Company shall be indemnified by the Company against all costs, losses and expenses (including travelling expenses) which any Director, Managing Director, Officer or employee of the Company may incur or become liable to by reason of any contract entered into or an act or deed done by him as such Director, Managing Director, Officer or employee or in any way in the discharge of his duties.

25.2 The Managing Director, every Director, Manager, Secretary or other officer of the Company shall be indemnified against any or all liability incurred by him in defending any proceedings against the Company whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act, in which relief is given to him by the Court.

25.3 Subject to the provisions of the Act, a Director or Officer of the Company shall not be liable for the act, receipts, neglects or defaults of any other Director or Officer or for joining in a receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, Company or Corporation with whom any moneys, securities or effects may be entrusted or deposited or for any other loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatsoever which may happen in the execution of duties of his office or in relation thereto unless the same happens through his own dishonesty.

25.4 In addition to the provisions of Articles 25.1, 25.2 and 25.3, the Company shall indemnify and keep indemnified the Investor, its officers, employees, agents, Affiliates and the Investor Directors (collectively, the "**Indemnified Persons**") to the maximum extent permitted under applicable Law against any Losses that any Indemnified Person may at any time become subject to or liable for in connection with claims brought against any of them on behalf of the Company or by a third party in connection with any of their status as a holder of Shares, Director or officer of the Company or any of their service to or on behalf of the Company except to the extent Losses are determined in a final non-appealable decision of a court of competent jurisdiction to have arisen out of the gross negligence, wilful misconduct or fraud of such Indemnified Person(s).

26 SEAL

The Directors shall provide a common seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and they shall provide for the safe custody of the seal for the time being. The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

27 SECRECY AND CONFIDENTIALITY

27.1 Every Director, officer, Auditor and member of a Committee of the Company and any other person like trustee, agent, or other person employed in the business of the Company shall, if so required by the Board, maintain secrecy of all matters relating to the affairs of the Company, trade secret, mystery of trade or secret process of the Company and the like and shall not, except when authorized by the Board, divulge such secrets to any other persons whomsoever.

27.2 No Shareholder shall be entitled, without the permission of the Board of Directors to require discovery of any information respecting any detail of Company's business or which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board of Directors will be inexpedient in the interest of the Company to communicate to the public.

27.3 The Company, the Promoter, the Other Existing Shareholders and the Investor (each a "**Party**") recognize that each of them will be given and have access to Confidential Information. Each Party shall not to use any of such Confidential Information for their own corporate purposes (except as may be necessary for the internal reporting of the Investor and/or its respective Affiliates) or any other purpose without the prior written consent of the other Party and shall use their best efforts to keep confidential and not to disclose to any Person any such Confidential Information. Each Party shall take all such steps as are necessary to ensure that its respective Directors, employees, officers and any other Persons to whom the above mentioned information is disclosed are bound by these covenants.

27.4 The obligations of confidentiality shall not apply to any information that:

(a) was known to the Party prior to its disclosure by the disclosing Party without any obligation of confidentiality;

(b) has become generally available to the public (other than due to the disclosure by the receiving Party);

(c) may be required in any report, statement or testimony submitted to any governmental regulatory body;

(d) may be required in response to any summons or subpoena or in connection with any litigation; or

(e) may be required to comply with any law, order, regulation or ruling applicable to any Party hereto.

Provided that prior to any disclosure in respect of a request to disclose Confidential Information under sub Articles (c), (d) and (e) a disclosing Party must first notify the other Party, who shall be entitled to limit the extent of the disclosure to the maximum extent possible.

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Annexure 1

Deed of Adherence

THIS DEED OF ADHERENCE is made the _____ day of _____, _____

AMONG:

(1) _____ of _____ (TRANSFEREE) to whom shares of the Company have been transferred by _____ (THE TRANSFERRING SHAREHOLDER) (hereinafter referred to as 'the Covenantor');

and

(2) _____ of _____ (THE CONTINUING SHAREHOLDER OF THE COMPANY);

and

(3) _____ of _____ (THE COMPANY)

THIS DEED IS SUPPLEMENTAL to the Shareholders Agreement (Shareholders Agreement) and the Subscription Agreement (SA) madeon the _____ day of _____ between (1) (2) and (3) _____

AND WITNESSES as follows:

1. The Covenantor hereby confirms that it has been supplied with a copy of the Shareholders Agreement, SA and the Articles of Association and hereby covenants with each of the Continuing Shareholders and the Company to observe, perform and be bound by all the terms thereof which were applicable to the Transferring Shareholder and are capable of applying to the Covenantor, to the intent and effect that the Covenantor shall be deemed with effect from the date on which the Covenantor is registered as a member of the Company to be a Party to the Shareholders Agreement.

2. The Covenantor hereby covenants that it shall not do any act or commit any omission that derogates from the provisions of the Shareholders Agreement or the Articles of Association of the Company.

3. The Covenantor undetakes that it shall enter into such indemnities with third parties in connection with the Company or its business which the Transferor may have entered into and shall use its reasonable endeavours to obtain the Transferor's release therefrom as soon as reasonably practicable.

4. This Deed shall be governed in all respect by the laws of India.

EXECUTED as a deed the day and year sfirst before written.

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 this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated September 28, 2016 between our Company, the Selling Shareholders and the BRLMs

2. Cash Escrow Agreement dated March 13, 2017 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and Bankers to the Offer

3. Share Escrow Agreement dated March 13, 2017 amongst the Selling Shareholders, our Company, the BRLMs and the Escrow Agent

4. Syndicate Agreement dated February 28, 2017 amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members

5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters

6. Registrar Agreement dated September 22, 2016 amongst our Company, the Selling Shareholders and the Registrar to the Offer

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time

2. Certificate of incorporation dated October 13, 1995

3. Fresh certificate of incorporation consequent upon change of name on conversion to a public limited company dated August 28, 2007

4. Fresh certificate of incorporation consequent upon change of name dated March 25, 2011

5. Fresh certificate of incorporation consequent upon change of name dated July 27, 2016

6. Resolution of the Board of Directors dated September 19, 2016 in relation to the Offer and other related matters

7. Shareholders' resolution dated September 22, 2016 in relation to this Offer and other related matters

8. Resolution dated September 12, 2016 passed by the board of directors of Fairwinds approving the Offer for Sale

9. Letter dated September 27, 2016 issued by the Promoter approving the Offer for Sale

10. Copies of the annual reports of the Company for the Financial Years ended March 31, 2012, 2013, 2014, 2015 and 2016

11. Consent from the Statutory Auditors namely, Haribhakti & Co., LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated February 7, 2017 and the statement of tax benefits dated February 15, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as

on the date of this Red Herring Prospectus.

12. The Statement of Tax Benefits dated February 15, 2017, from the Statutory Auditors

13. Consent of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Legal Counsel to our Company, Legal Counsel to the BRLMs, bankers/ lenders to our Company and our Subsidiaries, the BRLMs, the Syndicate Members, Bankers to the Offer, the Registrar to the Offer, independent chartered accountant, CRISIL and a chartered engineer, as referred to, in their specific capacities

14. Due Diligence Certificate dated September 28, 2016 addressed to SEBI from the BRLMs

15. Consent from CRISIL, dated September 27, 2016 and February 14, 2017, in relation to the CRISIL Research Report titled 'Assessment of Housing and Building Material Industry in India, September 2016' dated September 26, 2016 and the addendum thereto, respectively.

16. Subscription agreement dated February 24, 2011 executed between our Promoter, our Company, certain other existing Shareholders and Reliance PE Scheme I through its trustee Fairwinds

17. Shareholders' agreement dated February 24, 2011 executed between our Promoter, our Company, certain other existing Shareholders and Reliance PE Scheme I through its trustee Fairwinds

18. Addendum agreement dated March 31, 2015 executed between our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds

19. Second addendum agreement dated June 29, 2016 executed between our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds

20. Waiver and termination agreement dated September 22, 2016 executed between our Promoter, our Company, and Reliance PE Scheme I through its trustee Fairwinds

21. Business transfer agreement dated June 17, 2013 executed between our Company and TVSPPL

22. Amendment agreement dated August 30, 2013 executed among our Company and TVSPPL

23. Share purchase agreement dated November 28, 2013 executed between Steel Network Holdings Pte Ltd, Commercial Universe Pte Ltd, Mohamed Najmudeen, Mohamed Umayr and Centurywells Roofing India Private Limited

24. Share purchase cum shareholders agreement dated February 17, 2011 executed between our Company, Vishal Mehra, Rama Mehra and VPSPL

25. Trademark assignment agreement dated September 22, 2016 executed between the Company and our Promoter

26. Independent valuation report dated October 25, 2013 issued by Chaitanya G Deshpande, Chartered Accountants

27. Personal guarantee dated April 18, 2016 issued by our Promoter to Kotak Mahindra Bank Limited

28. Guarantee dated October 13, 2015 issued by our Promoter to Citibank NA

29. Letter of personal guarantee dated July 18, 2012 issued by our Promoter to Standard Chartered Bank

30. Supplemental letter of guarantee dated September 28, 2013 issued by our Promoter to IDBI Bank Limited and revival letter dated August 23, 2016

31. Supplemental letter of guarantee dated September 22, 2015 issued by our Promoter to IndusInd Bank Limited

32. Deed of guarantee dated May 16, 2016 issued by our Promoter to Axis Bank Limited

33. Supplemental guarantee dated June 30, 2016 and principal guarantee dated March 9, 2015 issued by our Promoter to Standard Chartered Bank Limited

34. Guarantee dated July 6, 2015 issued by our Promoter and our Company to L&T Finance Limited

35. Deed of personal guarantee dated August 25, 2014 issued by our Promoter to Kotak Mahindra Bank Limited and letter dated April 18, 2016 for continuation of the said deed of personal guarantee

36. In principle listing approvals dated October 25, 2016 and November 11, 2016 issued by BSE and NSE respectively

37. Tripartite agreement dated July 12, 2016 between our Company, NSDL and the Registrar to the Offer

38. Tripartite agreement dated September 8, 2016 between our Company, CDSL and the Registrar to the Offer

39. Certificate from Venkat & Vasan, Chartered Accountants in relation to utilisation of loans dated February 28, 2017

40. SEBI final observation letter dated December 22, 2016

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

_____ **Sukumar Srinivas**
(Managing Director)

_____ **V Ravichandar**
(Chairman and Non-Executive, Independent Director)

_____ **C Ravikumar**
(Executive Director)

_____ **RSV Sivaprasad**
(Executive Director)

_____ **Siddhartha Mundra**
(Non-Executive, Nominee Director)

_____ **Jayashri Murali**
(Non-Executive, Independent Director)

_____ **Chandu Nair**
(Non-Executive, Independent Director)

SIGNED BY CHIEF FINANCIAL OFFICER

_____ **Alex Varghese**
(Chief Financial Officer)

Place: Bengaluru
Date: March 13, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by him in this Red Herring Prospectus in relation to himself and the Equity Shares being sold by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

_____

Sukumar Srinivas

Place: Bengaluru
Date: March 13, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Red Herring Prospectus in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Red Herring Prospectus.

Signed by the Selling Shareholder

_____

For **Fairwinds Trustees Services Private Limited**

Place: Mumbai
Date: March 13, 2017