



INNOVATIVE TYRES AND TUBES LIMITED

Our Company was originally incorporated as “Innovative Tyres & Tubes Limited” at Mumbai, Maharashtra as a Public Limited Company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 28, 1995 bearing Registration Number 11-94817 issued by Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number (CIN) of our Company is U25112GJ1995PLC086579. For details of incorporation, change of name and registered office of our Company, please refer to chapter titled “General Information” and “Our History and Certain Other Corporate Matters” beginning on page 74 and 188 respectively of this Draft Red Herring Prospectus.

Registered Office: 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India
Telefax No.: +91 267 6220621; **E-mail:** investors@innovativetyres.co.in; **Website:** www.innovativetyres.com
Contact Person: Sejal Desai, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MUKESH DESAI & PRADEEP KOTHARI

THE ISSUE
<p>INITIAL PUBLIC OFFER CONSISTING OF FRESH ISSUE OF 62,97,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FULLY PAID FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (THE “ISSUE PRICE”) (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING UP TO RS. [●] LAKHS (THE “ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”) AND [●] EQUITY SHARES OF RS. 10/- EACH FOR CASH AT PRICE OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE “EMPLOYEES RESERVATION PORTION”). THE ISSUE LESS MARKET MAKER RESERVATION PORTION AND EMPLOYEES RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE, AGGREGATING RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.</p> <p>THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER (“BRLM”) AND WILL BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER [●], [●] EDITIONS OF THE HINDI NATIONAL NEWSPAPER [●] AND [●] EDITIONS OF THE REGIONAL NEWSPAPER, EACH WITH WIDE CIRCULATION, AT LEAST 5 (FIVE) WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE WITH THE RELEVANT FINANCIAL RATIOS CALCULATED AT THE FLOOR PRICE AND THE CAP PRICE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE EMERGE”, REFERRED TO AS THE “STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.</p> <p>In case of any revisions in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue 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 BRLM and the terminals of the Syndicate Members (defined herein below).</p> <p>In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the chapter titled “Issue Procedure” beginning on page 311 of this Draft Red Herring Prospectus. A copy will be delivered for registration to the Registrar as required under Section 32 of the Companies Act, 2013.</p> <p>THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (“SEBI (ICDR) REGULATIONS”). FOR FURTHER DETAILS PLEASE REFER THE SECTION TITLED ‘ISSUE INFORMATION’ BEGINNING ON PAGE 311 OF THIS DRAFT RED HERRING PROSPECTUS.</p>
RISK IN RELATION TO THE FIRST ISSUE
<p>This being the first public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs. 10 each. The Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLM as stated in “Basis for Issue Price” on page 113 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.</p>
GENERAL RISKS
<p>Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue 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 Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 21 of this Draft Red Herring Prospectus.</p>
COMPANY’S ABSOLUTE RESPONSIBILITY
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held; and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>
LISTING
<p>The Equity Shares of our Company issued through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009 as amended from time to time. Our Company has received an approval letter dated [●] from NSE EMERGE for using its name in the Issue document for listing of our shares on the EMERGE Platform of National Stock Exchange of India Limited. For the purpose of this Issue, EMERGE Platform of the National Stock Exchange of India Limited shall be the Designated Stock Exchange.</p>

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India Tel: +91-22 6194 6724 Fax: +91-22 2659 8690 Website: www.pantomathgroup.com Email: ipo@pantomathgroup.com Investor Grievance Id: ipo@pantomathgroup.com Contact Person: Kirti Kanoria SEBI Registration No: INM000012110</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Website: www.linkintime.co.in Email: itatl.ipo@linkintime.co.in Investor Grievance Id: itatl.ipo@linkintime.co.in Contact Person: Ms. Shanti Gopal Krishnan SEBI Registration Number: INR000004058</p>
BID/ISSUE PROGRAMME	
BID/ISSUE OPENS ON: [●]	BID/ISSUE CLOSURES ON: [●]

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The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (“U.S. Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

SECTION I GENERAL

DEFINITION AND ABBREVIATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith.

Term	Description
“Innovative Tyres & Tubes Limited” or “Innovative”, “ITTL” or “the Company”, or “our Company” or “we”, “us”, “our”, or “Issuer” or the “Issuer Company”	Innovative Tyres & Tubes Limited, a Public Limited Company incorporated under the Companies Act, 1956.
AOA or Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013.
Auditor or Statutory Auditor	The statutory auditor of our Company, being M/s. Maloo Bhatt & Co., Chartered Accountants
Bankers to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled “ <i>General Information</i> ” on page 74 of this Draft Red Herring Prospectus.
Board of Directors/ the Board / our Board	The Board of Directors of our Company, as duly constituted from time to time, including Committee(s) thereof.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Sejal Desai.
Corporate Office	The corporate office of our company is situated at Govindkrupa Bungalow, Ground Floor Opp. 15 Alkapuri Soc., B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007, Gujarat, India
Director(s)	Director(s) of our Company , unless otherwise specified
Equity Shareholders	Persons/ Entities holding Equity Shares of our Company
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each fully paid up.
Group Companies	Such Companies as are included in the chapter titled ‘ <i>Our Group Companies</i> ’ beginning on page 212 of this Draft Red Herring Prospectus
ISIN	International Securities Identification Number. In this case being INE070Y01015
MOA / Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Peer Reviewed Auditor	Independent Auditor having a valid Peer Review Certificate in our case being M/s Maloo Bhatt & Co. Chartered Accountants
Promoter Group	Includes such persons and entities constituting our promoter group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations and as enlisted in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” beginning on page 208 of this Draft Red Herring Prospectus.
Promoter, Promoters or our Promoters	Promoters of our Company being Mukesh Desai and Pradeep Kothari
Registered Office	The Registered office of our Company situated at 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India
Roc / Registrar of Companies	Registrar of Companies, Ahmedabad, Gujarat at ROC Bhavan,

Term	Description
	Opp. Rupal Park Society, Behind Ankur bus stop, Naranpura, Ahmedabad-380013, Gujarat, India.
Shareholders	Shareholders of our Company
you, your or yours	Prospective investors in this Issue

ISSUE 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
Allotment/ Allot/ Allotted	Issue and allotment of Equity Shares of our Company pursuant to the Issue of the Equity Shares to successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
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.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad and Mumbai.
Banker(s) to the Issue/ Public Issue Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Issue and which is described under chapter titled “Issue Procedure” beginning on page 309 of this Draft Red Herring Prospectus.
Bid	An indication to make an issue during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the

Term	Description
	Issue However, for Eligible Employees applying in the Employee Reservation Portion the Bid Amount shall be Cap Price multiplied by the number of Equity Shares Bid for by such Eligible Employees mentioned in the Bid cum Application Form net of Employee Discount.
Bid cum Application form	The form used by a Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus
Bid Cum Application Collecting Intermediaries	<ol style="list-style-type: none"> 1. a SCSB with whom the bank account to be blocked, is maintained 2. a syndicate member (or sub-syndicate member) If any 3. a stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity)('broker') if any 4. a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity) 5. a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
Bid Lot	[●] Equity shares and in multiples of [●] Equity Shares thereafter
Bid/ Issue Closing Date	The date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective Resident Indian investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied
Bidding/collecting Centre	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for

Term	Description
	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 Issue is being made
Book Running Lead Managers or BRLM	The Book Running Lead Manager to the Issue namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application 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 website of National Stock Exchange of India Limited.
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/ transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids (or a revision thereof) will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Cut-off Price	Issue Price, which shall be any price within the Price Band finalised by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Applications under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Demographic Details	The demographic details of the Bidders/Applicants such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated Date	The date on which the Collection Banks transfer funds from the public issue accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue may give delivery instructions for the transfer of the respective Offered Shares.

Term	Description
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such centres of the RTAs where Bidder can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Stock Exchange	EMERGE Platform of National Stock Exchange of India Limited
Designated CDP Locations	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 07, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue
Eligible Employee	<p>All or any of the following:</p> <p>(a) permanent and full time employee of our Company, (excluding such employees who are not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company, as the case may be, until the submission of the Bid cum Application Form and is based, working in India as on the date of submission of the Bid cum Application Form; and</p> <p>(b) a Director of our Company, whether a whole time Director or otherwise, (excluding such Directors not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines and the Promoters and their immediate relatives) as of the date of filing the Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form and is based in India as on the date of submission of the Bid cum Application Form.</p> <p>(c) An employee of our Company, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a permanent and a full time employee'. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed `200,000.</p>
Employee Discount	Discount of [●]% of the Issue Price, amounting to Rs [●] per Equity Share, that may be given to the Eligible Employees.
Employee Reservation Portion	Reservation of [●] Equity Shares, available for allocation to

Term	Description
	Eligible Employees on a proportionate basis aggregating upto Rs. [●].
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price will be finalised and below which no Bids will be accepted
FII/ Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
General Information Document/GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and included in “Issue Procedure” on page 309 of this Draft Red Herring Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Emerge Platform of National Stock Exchange of India Limited.
Market Making Agreement	Market Making Agreement dated September 01, 2017 between our Company, Book Running Lead Manager and Market Maker.
Market Maker	Market Maker appointed by our Company from time to time, in this case being Goldmine Stocks Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time
Market Maker Reservation Portion	The Reserved Portion of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] for the Market Maker in this Issue.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Emerge Platform of NSE/ SME Exchange	The Emerge Platform of National Stock Exchange of India Limited, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations
NSE	National Stock Exchange of India Limited
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value of Rs. 10 each fully paid for cash at a price of Rs [●] per Equity Share aggregating Rs. [●] by our Company
Net Proceeds	Proceeds of the Fresh Issue less our Company’s share of the Issue expenses. For further information about use of the Issue Proceeds and the Issue expenses, see “Objects of the Issue” on page 104 of Draft Red Herring Prospectus.
Non Institutional Bidders	All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors, who have apply for Equity

Term	Description
	Shares for an amount of more than Rs. 2,00,000 but not including NRIs other than Eligible NRIs
Non-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
Issue	The Initial Public Issue of 62,97,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs. [●] comprising the Fresh Issue. The Issue comprises a reservation of upto [●] Equity Shares aggregating upto Rs. [●] for subscription by Eligible Employees (as defined herein) (the “Employee Reservation Portion”)
Issue Agreement	The agreement dated September 01, 2017 between our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus. In case of Eligible employees, shall mean the Issue Price net of the Employee Discount.
Issue Proceeds	The proceeds of the Issue that is available to our Company. For further information about use of Issue Proceeds, see “Objects of the Issue” on page 104 of this Draft Red Herring Prospectus.
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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue
Other Investors	Investors other than Retail Individual Investors. These include individual bidders/applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Gujarati

Term	Description
	newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Issue Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI (ICDR) Regulations containing, inter alia, the Issue Price, the size of the Issue and certain other information
Public Issue Account	Account opened with the Banker to the Issue i.e. ICICI Bank Limited and Indusind Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Public Issue Account Agreement/ Banker to the Issue Agreement	Agreement entered on September 01, 2017 amongst our Company, Book Running Lead Manager, the Registrar to the Issue and Public Issue Bank/Banker to the Issue for collection of the Bid Amount on the terms and conditions thereof.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited, C-101, 1 st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and

Term	Description
or RTAs	eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s)/Retail Individual Investor(s)/RII(s)/RIB(s)	Individual Bidders, or minors applying through their natural guardians, including HUFs (applying through their <i>Karta</i>), who apply for an amount less than or equal to Rs 2,00,000
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which Issue the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on 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
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes the agreement to be entered into between our Company and the Stock Exchange in relation to listing of Equity Shares on such Stock Exchange.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sub-Syndicate members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect Bid cum Application Forms and Revision Forms Syndicate Agreement a dated September 01, 2017 entered into amongst the BRLM
Syndicate Agreement	Agreement dated September 01, 2017 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Goldmine Stocks Private Limited and Pantomath Capital Advisors Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter	Pantomath Capital Advisors Private Limited

Term	Description
Underwriting Agreement	The agreement dated September 01, 2017 entered into between the Underwriter and our Company
Working Day	(i) Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL AND INDUSTRY TERMS

Term	Description
2W	Two Wheelers
4W	Four Wheeler
ACMA	Automotive Component Manufacturers Association of India
AMP	Auto Mission Plan
ATMA	Automotive Tyre Manufacturers' Association
BFL	Bharat Forge Ltd
CARE	Credit Analysis & Research Limited
CIL	Cavendish Industries Ltd
CSO	Central Statistics Office
CV	Commercial Vehicles
DFRC	Duty Free Replenishment Certificate
DIPP	Department of Industrial Policy and Promotion
EPFO	Employees' Provident Fund Organisation
ESI	Employee State Insurance
EU	European Union
EV	Electric vehicle
FAME	Faster Adoption & Manufacturing of Electric Hybrid Vehicles
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FIPB	Foreign Investment Promotion Board
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HMSI	Honda Motorcycle and Scooter India
IBEF	India Brand Equity Foundation
IISc	Indian Institute of Science
IMF	International Monetary Fund
IoT	Internet of things
LNG	Liquefied Natural Gas
MoU	Memorandum Of Understanding
M-SIPS	Modified Special Incentive Package Scheme
MUVs	Multi-Utility Vehicles
MYEA	Mid-Year Economic Analysis
NATRIP	National Automotive Testing and R&D Infrastructure Projects
NMP	National Manufacturing Policy
NR	Natural Rubber
NTC	Nylon Tyre Cord Fabric
OEM	Original Equipment manufacturers

Term	Description
PBR	Poly Butadiene Rubber
PMGKY	Pradhan Mantri Garib Kalyan Yojana
PMMY	Pradhan Mantri MUDRA Yojana
PV	Passenger Vehicle
RBI	Reserve Bank of India
SAD	Special Additional Duty
SAIL	Steel Authority of India Ltd
SBR	Styrene Butadiene Rubber
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SIAM	Society of Indian Automobile Manufacturers
SVT	Smart Vehicle Technology
TADF	Technology Acquisition and Development Fund
TASL	Tata Advanced Systems Ltd
UDAY	Ujwal DISCOM Assurance Yojana Scheme
UNIDO	United Nations Industrial Development Organisation
US/ U.S./ USA	United States of America
WPI	Wholesale Price Index

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
A.Y./AY	Assessment Year
A/C	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AoA	Articles of Association
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
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
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Cm	Centimetre
CMD	Chairman and Managing Director

Term	Description
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013.
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the notified sections
CS	Company Secretary
CST	Central Sales Tax
Depositories	NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited); Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DGFT	Directorate General of Foreign Trade
DIN	Director Identification Number
DIPP	Department of Industrial Policy & Promotion
DP	Depository Participant
DP ID	Depository Participant's Identity
EBIDTA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPFA	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
F.Y./FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act 1999, as amended from time to time and the regulations framed there under
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
FII(s)	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FIPB	The Foreign Investment Promotion Board, Ministry of Finance, Government of India
FIs	Financial Institutions
FPI(s)	Foreign Portfolio Investor means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board Of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992
FV	Face Value
FVCI	Foreign Venture Capital Investor registered under the Securities and

Term	Description
	Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Registry number
GoI / Government	Government of India
HNI	High Networth Individual
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended.
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI Regulations/ SEBI (ICDR) Regulations/Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian National Rupee
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
IT Authorities	Income Tax Authorities
IT Rules	The Income Tax Rules, 1962, as amended from time to time
Key Managerial Personnel / KMP	The officers declared as a Key Managerial Personnel and as mentioned in the chapter titled “ <i>Our Management</i> ” beginning on page 194 of this Draft Red Herring Prospectus
KVA	Kilovolt-ampere
Listing Regulations / SEBI Listing Regulations/ SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ltd.	Limited
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
N/A or N.A.	Not Applicable
NAV	Net Asset Value
NBFC	Non Banking Finance Company
Net Worth	The aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account
NI Act	Negotiable Instruments Act, 1881
NOC	No Objection Certificate
NR	Non Resident

Term	Description
NRE Account	Non Resident (External) Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Pvt.	Private
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time
RoC	Registrar of Companies
RoNW	Return on Net Worth
Rs. / INR	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956 as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957
SCSB	Self Certified Syndicate Bank
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments 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 Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sec	Section

Term	Description
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small Medium Enterprise
SSI Undertaking	Small Scale Industrial Undertaking
Stock Exchange (s)	SME Platform of NSE Limited
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TNW	Total Net Worth
TRS	Transaction Registration Slip
U.S. GAAP	Generally accepted accounting principles in the United States of America
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US/ U.S. / USA/ United States	United States of America
USD / US\$ / \$	United States Dollar, the official currency of the United States of America
UV	Ultraviolet
VAT	Value Added Tax
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

Notwithstanding the following: -

- i. In the section titled “*Main Provisions of the Articles of Association*” beginning on page 362 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- ii. In the section titled “*Financial Statements*” beginning on page 217 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iii. In the section titled “*Risk Factor*” beginning on page 21 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
- iv. In the chapter titled “*Statement of Possible Tax Benefits*” beginning on page 116 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter; and
- v. In the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 252 of this Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that chapter.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to “India” are to the Republic of India and all references to the “Government” are to the Government of India.

FINANCIAL DATA

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 217 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on April 1st of each year and ends on March 31st of the next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian Accounting Practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditor, set out in the section titled “*Financial Statements as Restated*” beginning on page 217 of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, references to “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America.

All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten million’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

INDUSTRY AND MARKET DATA

Unless stated otherwise, Industry and Market data and various forecasts used throughout this Draft Red Herring Prospectus have been obtained from publically available information, Industry Sources and Government Publications.

Industry Sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by the Book Running Lead Manager or our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” beginning on page 21 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENT

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward looking statement.

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Increased competition in the Industry which we operate;
- Factors affecting the Industry in which we operate;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Our failure to keep pace with rapid changes in technology;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of Interest with affiliated companies, the promoter group and other related parties; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For a further discussion of factors that could cause our actual results to differ, refer to section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 21 and 252 respectively of this Draft Red Herring Prospectus. 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.

Future looking statements speak only as of the date of this Draft Red Herring Prospectus. Neither we, our Directors, Book Running Lead Manager, Underwriter 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, the BRLM and our Company will ensure that investors in India are informed of material developments until the grant of listing and trading permission by the Stock Exchange.

SECTION II – RISK FACTORS

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

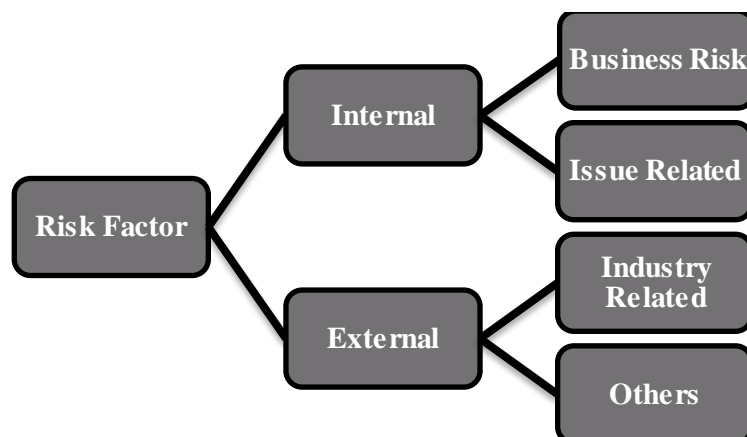
Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 151, “Our Industry” beginning on page 119 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 252 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively;*
- *Some events may not be material at present but may have material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviation” beginning on page 3 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:



Business Specific Risks

- 1. One of our Directors is currently involved in Income Tax related proceeding which is currently pending at jurisdictional Income Tax Authorities. Any adverse ruling or decision in such proceeding by such authorities against our director may render him liable to liabilities and penalties.**

An income tax demand has been raised under Section 143(1)(a) of the Income Tax Act, 1961 vide a notice under Section 245 of the Act dated January 23, 2016 amounting to Rs. 1,92,020 for the Assessment year 2009-10 against our Independent director Mr Ganesan Kalyanaraman. This is towards TDS deducted by his employer not appearing in his computation in the records of Income tax Authorities. The amount is currently outstanding.

Continental Carbon India Limited has filed a Company Petition bearing reference no. 81/2016 dated February 09, 2016 before the High Court of Gujarat at Ahmedabad against one of our group company Future Tyres Private Limited for non payment of dues of Rs. 56,13,002/-. The said outstanding liability is duly accounted and reflected in the books of our group Company. The matter is currently pending. One of our Directors, Keyoor Bakshi is involved in a criminal proceeding under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque. The matter is currently pending.

The Company and its Promoter, Mr. Pradeep Kothari have received a Notice from the advocate of M/s Philips Carbon Black Limited, regarding payment of dues of Rs. 69,84,685/- . There might be a possibility of litigation regarding the same in the future, the adverse ruling or decision of which may render the promoter and/or the Company liable.

Also, we cannot assure you that, we, our promoters, our directors or Group Companies may not face legal proceedings in future; any adverse decision in such legal proceedings may impact our business and results of operations. For further details in relation to legal proceedings involving our Company, Promoters, Directors, Group Companies please refer the chapter titled “Outstanding Litigations and Material Developments” on page 265 of this Draft Red Herring Prospectus. Except as mentioned above, there are no legal proceedings by or against our Company, Directors, Promoters and Group Company. A classification of legal proceedings is mentioned below:

Name of Entity	Criminal Proceedings	Civil/ Arbitration Proceedings	Tax Proceedings	Labour Disputes	Consumer Complaints	Complaints under Section 138 of NI Act, 1881	Aggregate amount involved (Rs. In lakhs)
Company							
By the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Promoters							
By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Group Companies							
By Group Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies	Nil	1	Nil	Nil	Nil	Nil	Not Ascertainable
Directors other than promoters							
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	2	Nil	Nil	1**	1.92*

*The amount represented does not reflect a total of both the litigations, since in one matter there is only a notice issued against the director and hence, the amount in the same is not ascertainable.

**The amount is not ascertainable.

2. Our Company has not complied with certain statutory provisions under Companies Act. Such non-compliances/lapses may attract penalties.

Our Company has not complied with certain statutory provisions such as the following:

- Non-compliance with section 383A of Companies Act, 1956 by not appointing a Company Secretary when the Paid up capital of the Company has crossed Rs. 5 Crores. However as on date of the Draft Red Herring Prospectus, our Company has appointed a Company Secretary to act as Compliance Officer.
- In past, our company has made erroneous filing of annual returns for certain financial years which reflects incorrect details pertaining to members of the company and transfer executed in the respective annual return.

Further, Our Company is required to make filings under various rules and regulations as applicable under the Companies Act, 2013 and under the applicable provisions of the Companies

Act, 1956 some of which has not been done within the stipulated time period at some instances which includes but not limited to increase in authorised capital, allotment form, appointment of Chief Financial Officer, Managing Director, modification of charge. Due to these delays in filings, our Company had on several occasions paid the requisite late fees.

No show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent. Such delay/noncompliance may in the future render us liable to statutory penalties and disallowing the resolutions, which may have consequence of violation of statutory provisions concerned.

While this could be attributed to technical lapses and human errors, our Company is in the process of setting up a system to ensure that requisite filings are done appropriately with the requisite timeline.

3. *We do not own the land on which our corporate office, manufacturing units and factory outlet are located.*

We do not own the land on which our corporate office, manufacturing units and factory outlet are located. These premises are taken on lease by us from third parties for a specific period. For details, please refer details of Land and Properties in the chapter titled “Our Business” beginning on page 151 of the Draft Red Herring Prospectus. If we do not comply with certain conditions of the lease, the lessor may terminate the lease, which could have an adverse affect on our operations and there can be no assurance that renewal of lease agreement with the owner will be entered into. In the event of non-renewal of lease, we may be required to shift our corporate office, manufacturing unit and factory outlet to a new location and there can be no assurance that the arrangement we enter into in respect of new premises would be on such terms and conditions as the present one.

4. *Our Company is yet to place orders for 100% of the plant & machinery and equipments for expansion of existing plant and R&D center for our proposed object, as specified in the Objects of the Issue. Any delay in placing orders, procurement of plant & machinery and equipments for expansion of existing plant and R&D center may delay our implementation schedule and may also lead to increase in price of these plant & machinery and equipments for development and R&D center, further affecting our revenue and profitability.*

Although we have identified the type of plant and machinery and equipments for expansion of existing plant and R&D center required to be bought for our proposed expansion of existing facility, we are yet to place orders for 100% of the plant & machinery worth Rs. 1306.50 Lakhs and equipments for expansion of existing facility and R&D center worth Rs. 266.31 Lakhs as detailed in the “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus. These are based on our estimates and on third-party quotations, which are subject to a number of variables, including possible cost overruns, changes in management’s views of the desirability of current plans, change in supplier of equipments, among others, which may have an adverse effect on our business and results of operations. Further, we cannot assure that we would be able to procure these plant and machinery, or procure the same within budgeted costs and timelines. Delays in acquisition of the same could result in the cost and time overrun in the implementation of the Project, which would have a material adverse affect on our business, results of operations and financial condition. For further details, please refer to the chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus.

5. *Delay in schedule of implementation may subject our Company to risks related to time and cost overrun which may have a material adverse effect on our business, results of operations and financial condition.*

Our Company is currently proposing to expand the existing facility for production of OTR, Agricultural radial tyres and tubes. For further details regarding to our proposed expansion of existing facility, please refer the chapter titled our “Objects of the Issue” on page 104 of this Draft Red Herring Prospectus. We may face risks relating to the expansion of existing facility for

production of OTR, Radial Agricultural tyres and tubes including delays to construction timetables, failure to complete the projects within our estimated budget, failure of our contractors and suppliers to adhere to our specifications and timelines, and changes in the general economic and financial conditions in India and other jurisdictions in which we operate. We have limited control over the timing and quality of services, equipments or other supplies from third party contractors and we may be required to incur additional unanticipated costs to remedy any defect or default in their services or products to ensure that the planned timelines are adhered to. Further as and when we commission our expansion of existing facilities, our raw material requirements and costs as well as our staffing requirements and employee expenses may increase and we may face other challenges in extending our financial and other controls to our new product line as well as in realigning our management and other resources and managing our consequent growth.

6. Our Company has negative cash flows from its investing activities as well as financing activities in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our investing activities as well as financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

Amount (Rs. In lakhs)

Particulars	For the year ended March 31,				
	2017	2016	2015	2014	2013
Cash Flow from / (used in) Investing Activities	(389.58)	(384.05)	(598.22)	(473.04)	(783.23)
Cash Flow from / (used in) Financing Activities	(40.76)	(479.98)	(186.09)	(778.98)	(727.73)

Cash flow of a company is a key indicator to show the extent of cash generated from operations 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 in future, it may adversely affect our business and financial operations.

7. Our Company requires significant amounts of working capital for a continued growth. Our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business is working capital intensive. A significant portion of our working capital is utilized towards inventories and trade receivables. Summary of our working capital position is given below:-

Amount (Rs. In lakhs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
A. Current Assets					
Inventories	3,064.14	2,097.45	2,751.68	1882.55	2065.42
Trade Receivables	1,434.69	1,568.97	2,005.31	786.92	483.63
Cash and Cash Equivalents	427.19	387.10	393.87	366.16	321.87
Short Term Loans & Advances	105.98	53.31	136.96	106.87	115.77
Other Current Assets	705.58	991.22	677.18	627.84	445.49
Sub Total (A)	5,737.58	5,098.05	5,965.00	3,770.34	3,432.18
B. Current Liabilities					
Trade Payables	2,511.59	2,956.59	3,662.28	1,967.40	1,750.04
Other Current Liabilities	512.90	542.36	935.90	736.69	710.14

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Short Term Provisions	236.12	152.26	268.04	245.73	158.76
Sub Total (B)	3,260.61	3,651.21	4,866.22	2,949.82	2,618.94
Working Capital (A-B)	2,476.97	1,446.84	1,098.78	820.52	813.24
Inventories as % of total current assets	53.40	41.14	46.13	49.93	60.18
Trade receivables as % of total current assets	25.01	30.78	33.62	20.87	14.09

We intend to continue growing by expanding our business operations. This may result in increase in the quantum of current assets particularly trade receivables and inventories. 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 could adversely affect our financial condition and result of our operations. For further details regarding working capital requirement, please refer to the chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus.

8. *We do not have any offshore office or business place to look after our export operations.*

We sell our products to both domestic as well as international markets. A significant portion of our revenue from operations is derived from international markets. However, we do not have any offshore office as a result of which we may not be able to capitalize on opportunities offered by the evolving international tyres and tubes sector in a timely manner. The business operations of our Company are mainly handled from our registered office/manufacturing units located at Halol. Apart from this, our Company does not have any place of business overseas either in the nature of liaison office or corporate office. Due to this, we may not be able to expand our business effectively in the international market, thereby affecting the results of operations and profitability. However, our Company has appointed executives for marketing purpose at Vadodara, Mumbai, Kolkata, and Kenya (East Africa).

9. *Our Company in the past has purchased second hand machinery from overseas vendors*

Our Company owns certain second hand machines purchased from overseas vendors. Our Company may not have been able to obtain adequate warranty/ guarantee from the vendors of such machines. Our Company may not, also, be able to source replacements / spare parts for such machines easily or at all, as and when required. This may result in delay/stoppages of our business operations. We may also have to look for replacement of such machines entailing substantial capital expenditure. Any such adverse developments may have a material and adverse effect on our financial condition and results of operations. Further, out of the total plant and machineries proposed to be purchased, three machineries amounting to Rs. 276.10 Lakhs on an estimate basis shall be second hand in nature. For further details, please refer chapter titled “Objects of the Issue” on page 104 of the Draft Red Herring Prospectus.

Also the speed and efficiency of a second hand machine differs from that of a new machine. The quality and precision of our product is partially dependent on the speed of operation of machines. It may be possible that our process of manufacturing tyres & tubes and quality may be affected by usage of such second hand machinery thereby affecting our sales and results of operations. For details of second hand machinery please refer chapter titled “Our Business” beginning on page 151 of this Draft Red Herring Prospectus.

10. *We are under several obligations as per the job work agreement entered with CEAT Limited.*

Out of the total revenue for the FY 2016-17, CEAT Limited contributes 11.37%. We have entered a job work agreement with CEAT Limited to provide specified quantities of tyres. The said agreement puts several obligations on us with regards to performance, timely delivery, provision of adequate and exclusive storage facilities, reporting requirements, record keepings

etc. Further the agreement specifies penalties for non-compliances with respect to the clauses of agreements. In case we failed to fulfil obligations of the said job work agreement, we may lose our business with CEAT Limited, thereby affecting our financial position and business operations.

Management perception:- Our Company believes that it has a cordial relationship with CEAT Limited as we have been continuously offering services to them since 1996 and may continue to do so in future.

11. We have in the past entered into related party transactions and may continue to do so in the future.

Our Company has entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Company. While we believe that all such transactions are conducted on arms length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. Our company has frequent transactions with Raman Enterprises and Future Tyres Private Limited amounting Rs. 38.09 Lakhs and 162.49 Lakhs respectively. For details on the transactions entered by us, please refer to chapter “Related Party Transactions” beginning on page 215 of the Draft Red Herring Prospectus.

12. Some of our corporate records including forms filed with the Registrar of Companies are not traceable.

Our Company is unable to trace certain corporate and other documents in relation to our Company including forms filed with the Registrar of Companies prior to the year 2006. Due to change in methods of record keeping on account of technological advancement and computerisation, over the years, certain forms filed with ROC prior to the year 2006 like Return of Allotment, Registration of charges and modification of charges, Increase in Authorised Capital, transfer of Equity Shares etc., could not be traced by our Company. Further online filing of RoC documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence some of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company had carried search for the physical copies of the untraceable forms at the office of ROC, Ahmedabad, but the forms are not available at the office of Registrar of Companies as well. As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the Company are correct. Also our Company may not be in a position to attend to and / or respond appropriately to any legal matter due to lack of lost / destroyed records and to that extent the same could adversely affect our business operations.

13. A significant portion of our tyre products are sold to dealers & distributors and any failure to maintain the relationship with these dealers & distributors or find competent replacements could affect the sales of our products.

The dealers & distributors channel accounted for 79.00 % of our total revenue in FY 2016-17 and 76.00 % of our total revenue in FY 2015-16. We may be unable to maintain or renew relationships with our dealers & distributors or we may not be able to obtain orders from our dealers & distributors at the current levels. We may also be unsuccessful in competing for desired dealers & distributors to promote and sell our products. If any of these relationships were to be so altered or terminated and we are unable to obtain sufficient replacement orders on comparable terms, our business, financial condition, results of operations, cash flows and business prospects could be materially and adversely affected.

14. Conflicts of interest may arise out of common business undertaken by our Company and our Group Company.

Our Group Company, Future Tyres Private Limited is also authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company, and our Group Company in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other company in which our Promoters have interests. There can be no assurance that our Promoters or our Group Company or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

15. We are exposed to warranty claims in all of the countries in which we export our products.

Warranty claims reduce our profitability. Our tyres are subject to warranties against manufacturing defects. In the event of claimed defects or non-performance of our tyres, our practice is to accept such genuine claims on a proportionate basis. In the future, we might also experience a material number of warranty claims due to defects in our tyre products. Defects, if any, in our products could adversely affect our reputation and demand for our products. In the event that defects, or warranty claims become more frequent, there may be an adverse effect on our operating results and financial condition.

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

We are exposed to risks associated with product liability claims as a result of developing, producing, marketing, promoting and selling tyres in India and other jurisdictions in which our tyre products are marketed and sold. Such claims may arise if any of our products are deemed or proven to be unsafe, ineffective or defective contaminated or if we are alleged to have engaged in practices such as improper, insufficient or improper labelling of products or providing inadequate warnings. There can be no assurances that we will not become subject to product liabilities claims or that we will be able to successfully defend ourselves against any such claims. If we are unable to defend ourselves against such claims, among other things, we may be subject to civil liability for physical injury, death or other losses caused by our products and to criminal liability and the revocation of our business licenses if our tyre products are found to be defective. In addition, we may be required to recall the relevant tyre products, suspend sales or cease sales. Other jurisdictions in which our products are, or may in the future be, sold, may have similar or more onerous product liability and regulatory regimes, as well as more litigious environments that may we have further expose us to the risk of product liability claims. We currently maintain product liability insurance, however, we cannot guarantee its full coverage or that we will be able to maintain it in future. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources and the time and attention of our management. Moreover, even the allegation that our tyre products are harmful, whether or not ultimately proven, may adversely affect our reputation and sales volumes.

17. If the price of energy sources increases, our operating expenses could increase significantly and our results of operations and cash flows could be materially and adversely affected.

Our manufacturing facilities rely principally on oil and natural gas, as well as electrical power and other energy sources. High demand and limited availability of oil and natural gas and other energy sources can result in significant increases in energy costs, which could materially increase our operating expenses at our manufacturing facilities. Increased oil costs would also increase our costs to transport our products from our manufacturing facilities to our distribution network. There is no assurance that we will be able to secure stable supplies of energy at favourable terms, or at all, to maintain our manufacturing operations or sustain our future expansion. Higher energy costs would increase our production and logistics costs and could materially and adversely affect our profits, results of operations and cash flows. Moreover, increases in energy costs could impact consumer and industrial behaviour. For instance, if the price of gasoline increases significantly for consumers, it can cause a decrease in driving and purchasing habits. General increases in energy costs could also cause businesses to decrease investment and slow down

overall economic activity. The occurrence of any of the foregoing could negatively impact demand for our tyre products.

18. *Our results of operations and cash flows could be impacted by changes in tariffs imposed by the GoI and/or foreign governments.*

Our ability to competitively source and sell tyres could be significantly impacted by changes in tariffs imposed by various governments, whether the GoI or any of the governments of the countries in which we sell our tyres. In particular, a safeguard duty was introduced for carbon black imports into India that, if maintained, will result in an increased cost to us of carbon black. India or other governments may impose tariffs on imports of tyres or the raw materials that we use to manufacture our tyres, which may increase our cost of exporting tyres to certain jurisdictions and the cost of our raw materials. In the event that we are unable to pass on any increased costs due to the imposition of tariffs on our products and/or raw materials by increasing the prices of our products, our profitability may be adversely affected and we could lose market share due to the opportunity for other competitors to establish or increase their presence in markets where we participate.

19. *Our business depends heavily on our reputation and consumer perception of our brand, and any negative publicity or other harm to our brand or failure to maintain and enhance our brand recognition may materially and adversely affect our business, financial condition, results of operations and cash flows.*

We believe that our reputation and consumer perception of our brand are critical to our business. Maintaining and enhancing our reputation and brand recognition depends primarily on the quality and consistency of our products and services, as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our brand is essential to our efforts to maintain and expand our customer base. If customers do not perceive our products or services to be of high quality, our brand image may be harmed, thereby decreasing the attractiveness of our products. Our ongoing marketing efforts may not be successful in further promoting our brand. In addition, our brand image may be harmed by negative publicity relating to us or India's tyre manufacturing industry regardless of its veracity. If we are unable to maintain and further enhance our brand recognition and increase market awareness for us and our products, our ability to attract and retain customers may be impeded and our business prospects may be materially and adversely affected.

20. *We are dependent on our Top 5 suppliers for uninterrupted supply of raw-materials. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.*

We are highly dependent on the suppliers of raw material for our products. We procure our raw materials from various domestic and international suppliers depending upon the price and quality of raw materials. However, our Top 5 suppliers contribute significantly to supply of raw materials. While our company believe that we would not face difficulties in finding additional suppliers of raw materials, any disruption of supply of raw materials from these suppliers or our procurement of raw materials at terms not favourable to us can adversely affect our operations and financial cost. The contributions of our top 5 suppliers to our total supplies are as follows:

Particulars	For the year ended March 31, 2017
% of Total Purchase	53.07%

21. *Our top ten customers contribute more than 56.80 % of our revenues for the year ended March 31, 2017. Any loss of business from one or more of them may adversely affect our revenues and profitability.*

Our top ten customers contribute to a substantial portion of our revenues for the year ended March 31, 2017. However, the composition and revenue generated from these clients might change as we continue to add new customers in normal course of business. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good

and long term relationships with our customers. However, there can be no assurance that we will continue to have such long term relationship with them also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

22. *Our operations generate hazardous waste and could expose us to the risk of liabilities, loss of revenues and increased expenses.*

Our operations are subject to generation of various hazardous waste associated with the production of tyres, such as the use, handling, processing, storage and transportation of hazardous materials, as well as accidents such as leakage or spillages of chemicals. The storage of these hazardous materials near our production facilities and the handling of these materials in the production process pose inherent risks. Any mishandling of hazardous chemical substances could materially disrupt the production of our products and may give rise to potential death or injuries of our work force. In addition, our employees operate heavy machinery at our manufacturing facilities and accidents may occur while operating such machinery.

These hazards can cause personal injury and loss of life, severe damage to and destruction of property and equipment, environmental damage and may result in the suspension of operations and the imposition of civil and criminal liabilities. As a result of past or future operations, claims of injury by employees or members of the public due to exposure, or alleged exposure, to the hazardous materials involved in our business may arise.

In the past three fiscal years, we have had one fatality at our manufacturing facilities. We could be held liable for damages in connection with injuries or death of any of our employees, which could adversely affect our business, financial condition, results of operations and cash flows. In addition, we may be subject to claims of injury from accidents at our manufacturing facilities or from indirect exposure to hazardous materials that are incorporated into our products. Liabilities incurred as a result of these events have the potential to adversely impact our financial position. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

Management perception- Our Company strives to minimise risk related to disposal of hazardous substances by arranging for proper facilities for such waste disposal

23. *We have certain contingent liabilities that have not been provided for in our Company's financials which if materialised, could adversely affect our financial condition.*

Our contingent liabilities as on March 31, 2017 is as under:

(Rs in lakhs)

Particulars	Outstanding as at March 31st, 2017
Bank Guarantee	77.11
Capital Commitment	91.96
Income tax demand for AY 2016-17	3.32
Export Obligation under DEEC(Duty implication)	151.68
Total	324.07

In the event any such contingencies mentioned above were to materialize or if our contingent liabilities were to increase in the future, our financial condition could be adversely affected. For further details, see the section entitled “Financial Statements” on page 217 of this Draft Red Herring Prospectus.

24. *Our products are subject to continued pricing pressure, which may materially and adversely affect our profits, results of operations and cash flows.*

Pricing pressure has generally been a characteristic of the Indian tyre industry. Any failures to obtain adequate and timely price increases or any adverse changes to the terms of sale of our products could materially and adversely affect our sales and profit margins. If we are unable to offset these price pressures through improved operating efficiencies and reduced expenditures, we may suffer declining profit margins and our results of operations and cash flows would suffer.

25. *If purchases of new vehicles decline, it could significantly decrease the demand for our products.*

The demand for our tyre products is dependent, among other things, on the conditions of the global and, in particular, the Indian economy. For instance, the demand for our tyre products is significantly affected by the number of cars and other motor vehicles in India and elsewhere. A decline in economic activity in India or in international markets may have an adverse effect on consumer and industrial demand for new vehicles. Sales of new vehicles in India are affected by the time of year, weather, interest rates, fuel prices and the overall economic environment. If industrial or consumer demand for new vehicles decreases, it would have a corresponding impact on the demand for our products and may materially and adversely affect our business, financial condition, results of operations, cash flows and business prospects.

26. *Some of our Group Companies have incurred losses in the last three fiscal years.*

Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations. Our Group Companies, Future Tyres Private Limited (FTPL) and GAIA Batteries Private Limited have incurred losses in previous years:

Financial Performance of Future Tyres Private Limited

(Rs in lakhs)

Particulars	For The Year Ended		
	2017	2016	2015
Paid up Capital	698.10	698.10	698.10
Reserves & Surplus	(60.45)	(71.65)	(71.85)
Networth	637.64	626.45	626.25
Sales and other income	2,380.95	1,652.92	1,190.72
Profit/loss after tax	11.19	0.20	(39.80)

Financial Performance of GAIA Batteries Private Limited

(Rs in lakhs)

Particulars	For The Year Ended		
	2016	2015	2014
Paid up Capital	60.00	1.00	1.00
Reserves & Surplus	(25.04)	(7.46)	(6.53)
Networth	34.96	(6.46)	(5.53)
Sales and other income	103.42	0.10	-
Profit/loss after tax	(17.58)	(0.92)	(6.48)

* M/s. GAIA Batteries Private Limited has not yet prepared financial statements for Financial Year 2016-17

There can be no assurance that our Group Company (ies), will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

27. *A shift in the Indian tyre market from bias-ply to radial tyres would lead to an oversupply of bias-ply tyres, which may result in pricing pressure that could adversely affect our profitability.*

If the India tyre market continues to shift toward radial tyres for commercial vehicles, the demand for bias tyres for commercial vehicles is likely to fall. At the same time, we and other Indian tyre manufacturers will retain the same production capacity for bias-ply tyres because

bias-ply tyre manufacturing equipment cannot be modified to produce radial tyres. This will cause an oversupply in the bias-ply tyre market in India which may exert a downward pressure on prices, impacting our revenues and profitability.

28. *We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.*

Our Company derives a significant part of its revenue from export operations. We export our products and receive sale proceeds in foreign currency. Further at times we also import some of the raw materials required in our manufacturing process. Changes in value of currencies with respect to the Rupee may cause fluctuations in our operating results expressed in Rupees. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect our Company to the extent of cost of goods and sales in foreign currency terms. Any adverse or unforeseen fluctuations with respect to the unhedged exchange rate of any foreign currency for Indian Rupees may affect our Company's results of operations. We only hedge a portion for foreign currency exposure, and our currency hedging policy does not protect us from all fluctuations in currency exchange rates.

29. *Rubber is a combustible commodity. Any fire mishaps or accidents at the Company's facility could lead to property damages, property loss and accident claims*

Rubber being a combustible commodity, every stage from procurement, processing, storage and transportation to final dispatch is fraught with an imminent danger of an instant fire. During FY 2015-16, our Company had a fire breakout which had hampered our operations for a while. The risk of fire hazard is increased due to increased automation and use of large volume of air for material handling. Any spark generated can not only generate fire but also the same could propagate to other machines through spread of fire by rubber's flammability. Though we have taken insurance policy to cover damage caused by fire however, the cover may not be adequate to the loss suffered.

30. *Our Company exports our products to many countries majorly Philippines, The United Arab Emirates, Peru, Africa & Latin America etc. Any adverse events affecting these countries could have a significant adverse impact on our results from operations.*

Our Company derives a significant part of its revenue from export operations. For the year ended March 31, 2017, our revenue from export operations contributed to 44.00% (including deemed export) of the total revenue from operations. Our Company exports its products to many countries namely Philippines, The United Arab Emirates, Peru, Latin America etc. For details of country wise exports made by our Company during FY 2016-17 please refer chapter titled "Our History and Certain Other Corporate Matters" beginning on page 188 of this Draft Red Herring Prospectus. Consequently, any adverse changes in these economies such as slowdown in the economy, appreciation of the Indian Rupee vis-à-vis the currencies of these economies, acts of terrorism or hostility targeting these countries, etc. would directly impact our revenues and results from operations. In the event of change in policies or laws in these regions with respect to our industry, quality standards, our financial condition and business operations may be adversely affected. In case of any contingencies in future due to which we are unable to operate effectively in these markets, our results from operations, revenues and profitability may be adversely affected.

31. *Currently we have an aggregate outstanding export obligation of Rs. 151.68 Lacs as on March 31, 2017. Failure to meet export obligation would entail payment of the amount of proportionate duty saved together with interest.*

Currently, we have an outstanding export obligation of Rs. 151.68 Lakhs, this amount pertains to imports made at concessional rate of import duty against advance license. For further information of details of the licenses and outstanding export obligations please refer chapter titled "Our Business" beginning on page 151 of this Draft Red Herring Prospectus.

32. *Our industry is labour intensive and our business operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*

We believe that the industry in which we operate faces competitive pressures in recruiting and retaining skilled and unskilled labour. Our industry being labour intensive is highly dependent on labour force for carrying out its business operations. Shortage of skilled/unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. We have not experienced any major disruptions to our business operations due to disputes or other problems with our work force in the past; there can be no assurance that we will not experience such disruptions in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention, which may have a material adverse impact on our business, results of operations and financial condition.

33. *Our cost of production is exposed to fluctuations in the prices of raw materials.*

Our Company is dependent on third party suppliers for procuring raw materials. We are exposed to fluctuations in the prices of these raw materials as well as its unavailability, particularly as we typically do not enter into any long term supply agreements with our suppliers and our major requirement is met in the spot market. We may be unable to control the factors affecting the price at which we procure the materials. We also face the risks associated with compensating for or passing on such increase in our cost of production on account of such fluctuations in prices to our customers. Upward fluctuations in the prices of raw material may thereby affect our margins and profitability, resulting in a material adverse effect on our business, financial condition and results of operations. Though we enjoy favourable terms from the suppliers both in prices as well as in supplies, our inability to obtain high quality materials in a timely and cost effective manner would cause delays in our production and delivery schedules, which may result in the loss of our customers and revenues.

34. *We require a number of approvals, NOCs, licences, registrations and permits in the ordinary course of our business. Any failure or delay in obtaining such approvals or renewal of the same in a timely manner may adversely affect our operations.*

We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Additionally, we need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course. In case we fail to obtain or renew the same in the timely manner, the same may adversely affect our business operations.

Approvals like Allotment letter of Tax Deduction Account Number (TAN), Registration for Employees State Insurance for Tube Unit (Unit 1201-1203) are currently not traceable by the company. The logo of the Company is yet to be registered under Trademark Act, 1999. Consequently, we do not enjoy the statutory protections accorded to registered trademarks in India for the logo of our company. Trademark Registration Status of application for TM 3586388 is currently "Accepted" Further, our Company has applied for Renewal of License to acquire Rubber and Shop and Establishment Registration Certificate under Bombay shops & establishment act 1948 for Registered Office and factory outlet.

Any failure to apply for and obtain the required approvals, licences, registrations or permits in a timely manner, or any suspension or revocation of any of the approvals, licences, registrations and permits would result in a delay in the our business operations which could otherwise adversely affect our financial condition, results of operations and prospects of the Company. We cannot assure you that the approvals, licences, 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. In addition to same, our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business and results of operations.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 272 of this Draft Red Herring Prospectus.

35. We are subject to various laws and regulations relating to the handling and disposal of hazardous materials and wastes. If we fail to comply with such laws and regulations, we can be subjected to prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on the success of our business.

The Environmental Protection Act, 1986, as amended, the Air (Prevention and Control of Pollution) Act, 1981, as amended, the Water (Prevention and Control of Pollution) Act, 1974, as amended and other regulations promulgated by the Ministry of Environment and Forest and various statutory and regulatory authorities and agencies in India regulate our handling of hazardous substances and wastes. We are required to obtain registrations from the relevant State Pollution Control Board to be able to handle and dispose hazardous and wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

36. The industry segments in which we operate being fragmented, we face competition from other players, which may affect our business operations and financial conditions.

The market for our products is competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes such as technical competence, quality of products, distribution network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

37. Our manufacturing facility is located at Halol, Gujarat. Any delay in production at, or shutdown of, or any interruption for a significant period of time, in this facility may in turn adversely affect our business, financial condition and results of operations.

Our Company has its manufacturing facility located at Halol, Gujarat. Our success depends on our ability to successfully manufacture and deliver our products to meet our customer demand. Our manufacturing facility is susceptible to damage or interruption or operating risks, such as human error, power loss, breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, loss of services of our external contractors, terrorist attacks, acts of war, break-ins, earthquakes, other natural disasters and industrial accidents and similar events. Further, our manufacturing facility is also subject to operating risk arising from compliance with the directives of relevant government authorities. Operating risks may result in personal injury and property damage and in the imposition of civil and criminal penalties. If our Company experiences delays in production or shutdowns due to any reason, including disruptions caused by disputes with its workforce or any external factors,

our Company's operations will be significantly affected, which in turn would have a material adverse effect on its business, financial condition and results of operations.

38. *The shortage or non-availability of water facilities may adversely affect our manufacturing processes and have an adverse impact on our results of operations and financial condition.*

Our manufacturing process requires substantial amount of water, particularly for tyre curing process. Currently, our Company procures water from Halol GIDC Industrial Water Association as required for our production process. We have not made any alternate arrangements for supply of water for our manufacturing facilities. Thus any change in the availability of water may increase our cost of operations and adversely affect results of our operations.

39. *We generally do business with our customers on purchase order basis and do not enter into long term contracts with most of them.*

Our business is dependent on our continuing relationships with our customers. Our Company neither has any long-term contract with any of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations.

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

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

41. *Our trademark is not registered and as such we may not be able to effectively protect our intellectual property.*

We operate in an extremely competitive environment, where generating brand recognition is significant element of our business strategy. Our ability to market and sell our products depends upon the recognition of our brand names and associated consumer goodwill.

However our trademark applications under Trade Marks Act, 1999 for the business logo “**INNOVATIVE**” is pending for registration with the Registrar of Trademarks, Trademark Registry, Government of India vide an Application No. 3586388 under Class 12. The status of the same is currently “Accepted”. Therefore we do not enjoy the statutory protection accorded to a registered trademarks and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. Thereby, our ability to use our logo may be impaired. There can be no assurance that we will be able to register the logo or our other trademarks or those third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

For further details, please refer the chapter titled “Government and Other Statutory Approvals” on page 272 of this Draft Red Herring Prospectus.

42. Our inability to maintain an optimal level of inventory for our business may impact our operations adversely.

Our daily operations largely depend on consistent inventory control which is generally dependent on our projected sales in different months of the year. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a range of products. If we over-stock inventory, our required working capital will increase and if we under-stock inventory, our ability to meet consumer demand and our operating results may be adversely affected. Any mismatch between our planning and the actual off take by customers can impact us adversely.

43. Our Company has no formal supply agreement or contract with our vendors/suppliers for the uninterrupted supply of major raw materials. Our business may be adversely affected if there is any disruption in the raw material supply.

We do not have any formal agreements with our vendors/suppliers as we operate on a purchase order system. Due to the absence of any formal contract with our vendors/suppliers, we are exposed to the risks of irregular supplies or no supplies at all and delayed supplies which would materially affect our results of operations. In the event of any disruption in the raw materials supply or the non availability of raw materials, the production and dispatch schedule may be adversely affected impacting the sales and profitability of the Company. In the event the prices of such raw materials were to rise substantially, we may find it difficult to make alternative arrangements for supplies of our raw materials, on the terms acceptable to us, which could materially affect our business, results of operations and financial condition. Our management believes that we maintain good relations with our suppliers and we shall also not face any challenge in finding new suppliers if required.

44. Our Company is dependent on third party transportation providers for the delivery of our goods and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.

Our Company uses third party transportation providers for delivery of our raw materials and finished goods. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

45. Our insurance coverage may not be adequate.

Our Company has obtained insurance coverage in respect of certain risks. These policies generally insure our assets against standard fire and special perils. Also we have taken marine cargo and burglary insurance policies. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like housebreaking, terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

For further details, please refer chapter titled “Our Business” beginning on page 151 of this Draft Red Herring Prospectus.

46. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.*

We have secured our lenders by creating a charge over our movable and immovable properties in respect of loans / facilities availed by us from banks and financial institutions. The total amounts outstanding and payable by us as secured loans were Rs. 2,019.61 Lakhs as on March 31, 2017. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our properties may be forfeited by lenders, which in turn could have significant adverse affect on business, financial condition or results of operations. For further information on the *Financial Indebtedness* please refer to page 261 of this Draft Red Herring Prospectus.

47. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements.*

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 take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “*Financial Indebtedness*” on page 261 of this Draft Red Herring Prospectus. Though these covenants are restrictive to some extent for us, however it ensures financial discipline, which would help us in the long run to improve our financial performance.

48. *We have taken guarantees from Promoter and promoter group in relation to debt facilities provided to us.*

We have taken guarantees from Promoters and promoter group in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the chapter titled “*Financial Indebtedness*” beginning on page 261 of this Draft Red Herring Prospectus.

49. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our bank finance, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus.

50. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 216 of this Draft Red Herring Prospectus.

51. Within the parameters as mentioned in the chapter titled ‘Objects of this Issue’ beginning on page 104 of this Draft Red Herring Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.

We intend to use entire Issue Proceeds towards expansion of existing facility, long term working capital requirement and general corporate purpose. We intend to deploy the Net Issue Proceeds in financial year 2017-18 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled ‘Objects of the Issue’ beginning on page 104 of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue.

52. Our future funds requirements, in the form of issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

53. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial Personnel may affect the operations of our Company.

Our success is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our future performance

will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations.

54. In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and key managerial personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.

Our Directors and Key Managerial Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, some of our Directors and Key Managerial Personnel may also be interested to the extent of their shareholding and dividend entitlement in our Company. For further information, see “Capital Structure” and “Our Management” on pages 85 and 194, respectively, of this Draft Red Herring Prospectus.

55. If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

Our revenue and our business operations have grown in recent years. We may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to maintain customer satisfaction, macroeconomic factors out of our control, competition within India’s tyre industry, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. In addition, our anticipated expansion will place a significant strain on our management, systems and resources. Our development and expansion strategies will require substantial managerial efforts and skills and the incurrence of additional expenditures and may subject us to new or increased risks. Further, pursuing these strategies may require us to expand our operations through internal development efforts as well as partnerships, joint ventures, investments and acquisitions. We may not be able to efficiently or effectively implement our growth strategies or manage the growth of our operations, and any failure to do so may limit future growth and hamper our business strategies.

56. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

57. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

58. The average cost of acquisition of Equity Shares by our Promoters could be lower than the floor price.

Our Promoters average cost of acquisition of Equity Shares in our Company may be lower than the Floor Price of the Price Band as may be decided by the Company in consultation with the BRLM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” beginning on page 85 of this Draft Red Herring Prospectus.

Issue Specific Risks

59. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined by book built method. This price is based on numerous factors (For further information, please refer chapter titled “Basis for Issue Price” beginning on page 113 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

EXTERNAL RISK FACTORS

Industry Risks:

60. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

Other Risks:

61. 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.

62. *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 ICDR Regulations contained in this Draft Red Herring Prospectus.*

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter "Financial Statements as restated" beginning on page 217, the financial statements included in this Draft 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 ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft 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 Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

63. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- excise duty on certain raw materials and components;
- central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

64. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity

Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

65. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Tyres and Tubes industry contained in the Draft Red Herring Prospectus.*

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the tyres and tubes industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ‘*Our Industry*’ beginning on page 119 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

66. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

67. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

68. *The extent and reliability of Indian infrastructure could adversely affect our Company’s results of operations and financial condition.*

India’s physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company’s normal business activity. Any deterioration of India’s physical infrastructure would harm the national

economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

69. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunamis, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

70. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

PROMINENT NOTES

1. Public Issue of up to 62,97,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share ("Issue Price") aggregating upto Rs. [●] Lakhs, of which upto [●] Equity Shares of face value of Rs. 10 each will be reserved for subscription by Market Maker to the Issue ("Market Maker Reservation Portion") and [●] reserved for Eligible Employees. The Issue less the Market Maker Reservation Portion i.e. Net Issue of up to [●] Equity Shares of face value of Rs. 10 each is hereinafter referred to as the "Net Issue". The Issue and the Net Issue will constitute 35.00% and [●]%, respectively of the post Issue paid up equity share capital of the Company.
2. Investors may contact the Book Running Lead Manager or the Company Secretary & Compliance Officer for any complaint/clarification/information pertaining to the Issue. For contact details of the Book Running Lead Manager and the Company Secretary & Compliance Officer, please refer to chapter titled "*General Information*" beginning on page 74 of this Draft Red Herring Prospectus.
3. The pre-issue net worth of our Company was Rs. 4,586.60 lakhs as of March 31, 2017 and Rs. 3,793.25 lakhs for the year ended March 31, 2016. The book value of Equity Share was Rs 39.22 as at March 31, 2017 and Rs. 35.81 as at March 31, 2016 as per the restated financial statements of our Company. For more information, please refer to section titled "Financial Statements" beginning on page 217 of this Draft Red Herring Prospectus.
4. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mukesh Desai	6,09,267	25.30
Pradeep Kothari	34,95,676	29.29

For further details relating to the allotment of Equity Shares to our Promoters, please refer to the chapter titled "*Capital Structure*" beginning on page 85 of this Draft Red Herring Prospectus.

5. For details on related party transactions and loans and advances made to any company in which Directors are interested, please refer “*Related Party Transaction*” under chapter titled “*Financial Statements as restated*” beginning on page 217 of this Draft Red Herring Prospectus.
6. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on a proportionate basis. For more information, please refer to the chapter titled “*Issue Structure*” beginning on page 305 of this Draft Red Herring Prospectus.
7. Except as disclosed in the chapter titled “*Capital Structure*”, “*Our Promoter and Promoter Group*”, “*Our Management*” and “*Related Party Transaction*” beginning on pages 85, 208, 194 and 215 respectively, of this Draft Red Herring Prospectus, none of our Promoter, Directors or Key Management Personnel has any interest in our Company.
8. Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 85 of this Draft Red Herring Prospectus, we have not issued any Equity Shares for consideration other than cash.
9. Trading in Equity Shares of our Company for all investors shall be in dematerialized form only.
10. Investors are advised to refer to the chapter titled “*Basis for Issue Price*” beginning on page 113 of this Draft Red Herring Prospectus.
11. There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with the Stock exchange.
12. Our Company was originally incorporated as “Innovative Tyres & Tubes Limited” at Mumbai, Maharashtra as a public limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 28, 1995 bearing Registration Number 11-94817 issued by Registrar of Companies, Maharashtra, Mumbai. The certificate of Commencement of Business was granted by Registrar of Companies, Maharashtra on February 08, 1996 issued. Pursuant to change in the registered office of our Company from one state to another state vide resolution passed by shareholders of our company in the Annual General Meeting held on August 23, 2014 and a certificate in respect of which was issued by Registrar of Companies, Ahmedabad, on April 27, 2016. The Corporate Identification Number (CIN) of our Company is U25112GJ1995PLC086579.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 217 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO INDIAN AUTOMOBILE INDUSTRY

The Indian automobile market is estimated to become the third largest in the world by 2016 and will account for more than 5 per cent of the global vehicle sales. The auto components sector has been observing robust growth, and turnover is anticipated to reach US\$ 115 billion by FY21 from US\$ 35.1 billion in FY14. India's exports of auto components could account for as much as 26 per cent of the market by 2021. Favourable government policies such as Auto Policy 2002, Automotive Mission Plan 2006-2016, National Automotive Testing and R&D Infrastructure Projects (NATRIPs), have helped the Indian auto components industry achieve considerable growth.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others. Investments announced in the Indian Auto component sector- 1) French auto parts maker Valeo plans to invest US\$ 100 billion in India in the coming two to three years. 2) Magna International, Canada's giant auto parts supplier plans to open 3 new plants in India by 2019.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

INTRODUCTION TO INDIAN TYRE INDUSTRY

The Indian auto industry is expected to be the world's third largest by 2016 behind China and the US and will account for more than 5% of global vehicle sales as per IBEF. It is also expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan (India is currently world's second largest two-wheeler manufacturer). The Indian tyre industry is ancillary to the automobile industry. Demand swings in any of the auto segments (Commercial vehicles, cars, two-wheelers) have an impact on the tyre demand.

Indian Tyre Industry is in modernization phase and is largely driven by demand and supply conditions. The domestic industry essentially caters to 2 segments – (1) Original Equipment manufacturers (OEM); (2) Replacement market (Aftermarket). Replacement demand dominates the tyre market contributing 56% of total size while the OEM market share is 44% as of 2015-16. Indian tyre market is driven largely by two & three wheeler tyres (53%), followed by passenger cars (28%) and commercial vehicle segments (16%). Tractor segment accounted for only 3% of the tyre sales in 2015-16. There were 39 companies (2014-15) in the domestic tyre industry as per ATMA and the industry is valued at around Rs 535 billion as of 2015-16 with the top 10 companies accounting for 85-90% of the market share. The export revenues stood at around Rs 100 billion during the year.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India's capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

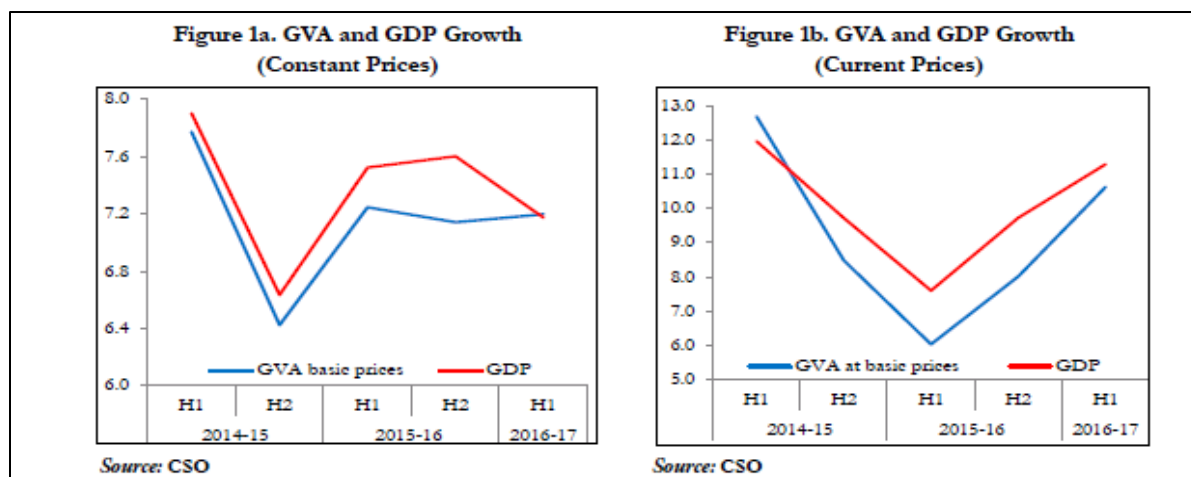
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol)

increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-

65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

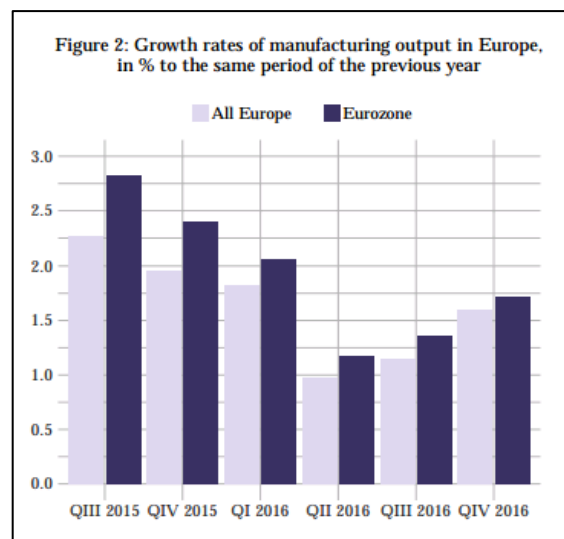
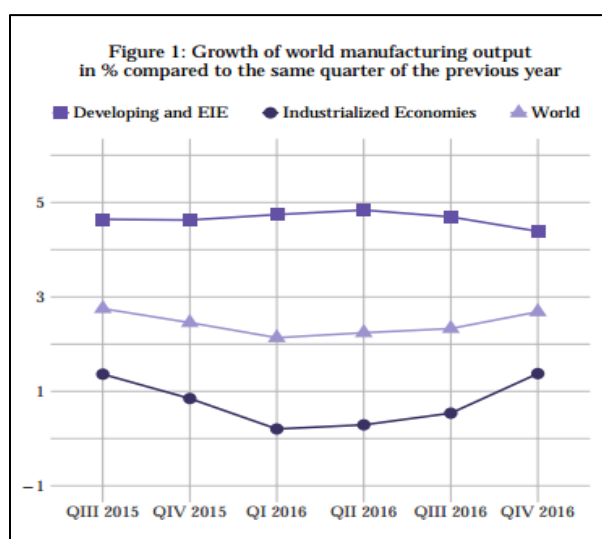
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.



Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an

expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.

The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

INDIAN AUTOMOBILE INDUSTRY

Introduction:

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 13 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2016, overall automobile exports grew by 1.91 per cent. PV, Commercial Vehicles (CV), and Two Wheelers (2W) registered a growth of 5.24 per cent, 16.97 per cent, and 0.97 per cent respectively in April-March 2016 over April-March 2015.* In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

Market Size:

The sales of PVs, CVs and 2Ws grew by 9.17 per cent, 3.03 per cent and 8.29 per cent respectively, during the period April-January 2017.

Investments:

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 15.79 billion during the period April 2000 to September 2016, according to data released by Department of Industrial Policy and Promotion (DIPP).

Government Initiatives:

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

Road Ahead:

India's automotive industry is one of the most competitive in the world. It does not cover 100 per cent of technology or components required to make a car but it is giving a good 97 per cent, as highlighted by Mr Vicent Cobee, Corporate Vice-President, Nissan Motor's Datsun. Leading auto maker Maruti Suzuki expects Indian passenger car market to reach four million units by 2020, up from 1.97 million

units in 2014-15. Mr Young Key Koo, Managing Director, Hyundai Motor India Ltd, has stated that India is a key market for the company, not only in terms of volumes but also as a hub of small products for exports to 92 countries. Mr Joachim Drees, Global CEO, MAN Trucks & Bus AG, has stated that India has the potential to be among the top five markets, outside of Europe, by 2020 for the company, which is reflected in the appointment of its most experienced managers to India for increasing volumes and exports out of India.

The Indian automotive aftermarket is estimated to grow at around 10-15 per cent to reach US\$ 16.5 billion by 2021 from around US\$ 7 billion in 2016. It has the potential to generate up to US\$ 300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12 per cent to India's Gross Domestic Product. According to Mr Guillaume Sicard, president, Nissan India Operations, the income tax rate cut from 10 per cent to 5 per cent for individual tax payers earning under Rs 5 lakh (US\$ 7,472) per annum will create a positive sentiment among likely first time buyers for entry level and small cars.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

References: Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2017-18

Notes: *- As per the Society of Indian Automobile Manufacturers (SIAM)

- As per the Automotive Mission Plan 2016-26 prepared jointly by the Society of Indian Automobile Manufacturers (SIAM) and government

(Source: Automobile Industry in India, India Brand Equity Foundation www.ibef.org)

INDIAN AUTO COMPONENTS INDUSTRY

Introduction:

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

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

Market Size:

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category. Over the last decade, the automotive components industry has scaled three times to US\$ 39 billion in 2015-16 while exports have grown even faster to US\$ 10.8 billion. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers.

The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

Investments:

The cumulative Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000 – September 2016 were recorded at US\$ 15.80 billion, as per data by the Department of Industrial Policy and Promotion (DIPP).

Government Initiatives:

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. It is expected that this sector's contribution to the GDP will reach US\$ 145 billion in 2016 due to the government's special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has also helped foreign companies to make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016–2026 envisages creation of an additional 50 million jobs along with an ambitious target of increasing the value of the output of the sector to up to Rs 1,889,000 crore (US\$ 282.65 billion).

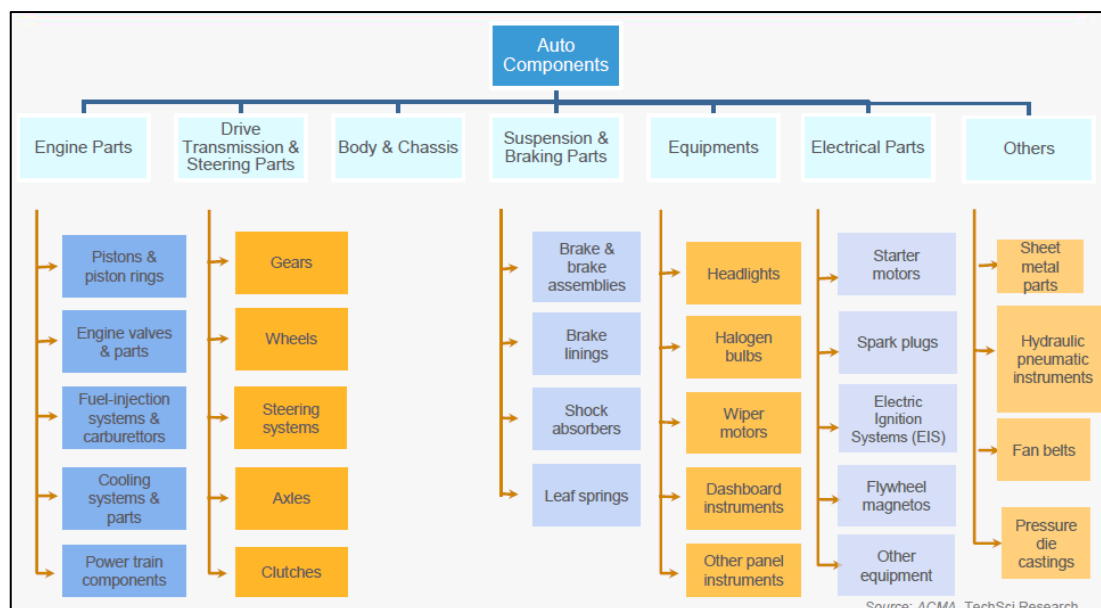
Road Ahead:

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 09, 2017

(Source: Auto component Industry in India, India Brand Equity Foundation www.ibef.org)

THE AUTO COMPONENTS MARKET IS SPLIT INTO SIX PRODUCT SEGMENTS:



(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

TYRE INDUSTRY SEGMENTATION

The domestic tyre industry is in modernization phase and largely driven by demand and supply conditions, rather than government regulation as it was earlier. The domestic tyre industry can be classified on the basis of its design, markets and vehicle category, which have been evolved over the years.

Vehicles Category wise:

The domestic tyre industry can be classified in terms of types of vehicles in which it is used. The category comprises of tyres used in T&B, LCVs, tractors, OTR and ADVs. Since these tyres are used

for commercial usages they are sturdier, bigger and heavier than personal tyre category. In the overall sales of tyres in unit terms, the commercial segment contributed about 19% in 2015-16 while the remaining came from sales of personal vehicles (passenger vehicles and Two & Three wheelers). Under personal segment, two & three wheelers constituted about 66% sales while the passenger cars made up for the balance sales.

T&B dominates overall commercial usage segment with around 57% share in the units sold in FY16. This is followed by LCV segment with a share of 28% during the year. Tractor front and rear tyre segment constitute around 9% & 7% respectively during the same period.

Market wise:

Tyre demand originates from two end-user categories, i.e., OEMs and the replacement segment. Consumption by OEMs is dependent on new automobile sales trend while the replacement segment is linked to usage patterns and replacement cycles. Demand from the replacement segment dominates the Indian tyre market contributing about 56% of demand, in terms of units. The major reason for high replacement share is due to the fact that the number of registered vehicles/annual sales remains at about 10x at close to 20 crore registered vehicles (industry estimates) vis-à-vis ~2.4 crore annual vehicle sales.

The export category is about 18% of the total units sold in the domestic market. The industry registered sales of around 151,026 (000 units) in the domestic market while the total exports of tyres during the year was 26,699 (000 units) in 2015-16. Therefore, the total tyre sales during the year was 177,724 (000 units) registering a marginal growth of about 4% y-o-y.

Technical deviation: Design

The body of a tyre can be classified into two types i.e. cross-ply tyres and radial tyre. A cross-ply tyre has a sidewall which reinforces plies running diagonally from the bead towards the tread - each layer of textile at a different angle to its adjacent layer. These angles determine the stiffness of the tyre. Radial tyre cords casing run perpendicular to the direction of travel. Viewed from the side, the cords run radially - giving the tyre its name. The weakness of this arrangement is that the cords cannot sufficiently absorb lateral forces when cornering or circumferential forces when accelerating. To compensate this, the cords must be supported or complemented by other structural elements - steel belts etc.

Cross-ply is an old manufacturing technology and has been almost discarded by developed economies like USA and Europe long back. However, in India it is still dominant. Some of the key attributes of cross-ply tyres which make it popular in India are its adaptability on poor road condition, suitability in case of overloading of vehicle and cheaper price. However, its penetration levels have witnessed gradual decrease in the last few years owing to increasing awareness about the inherent advantages of radial tyres.

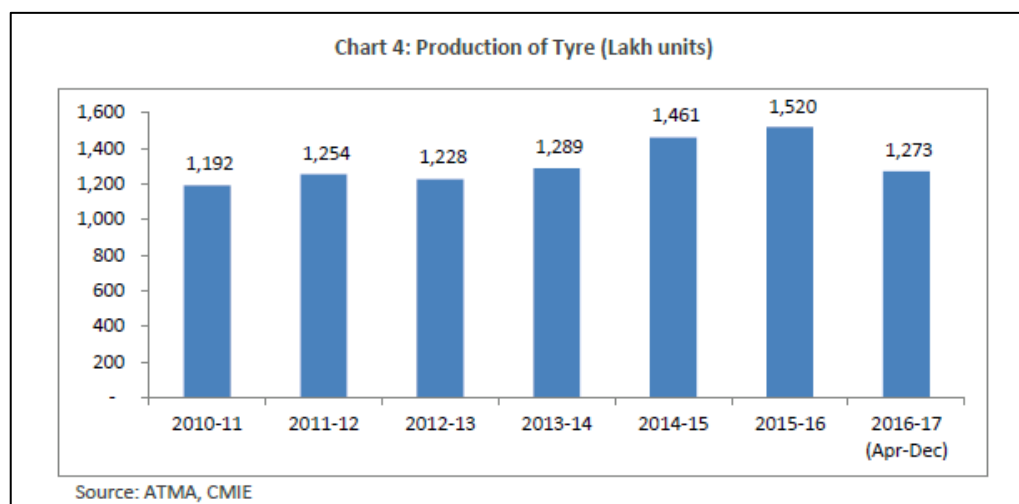
Acceptance of radial tyres, which are of superior quality and have a longer life-cycle, as compared to cross-ply tyres, has been continuously increasing in the Indian market. However because of their higher price and lower adaptability in bad road conditions, these tyres are less preferred for vehicles with commercial usage like trucks, buses, LCVs, tractors etc. However, growing awareness about the advantages of radial tyres has led increasing proportion of vehicle operators across all the vehicle categories to migrate towards radial tyres.

Over the last few years, India has seen increased adoption of radial tyre technology. Despite almost 100% radicalisation in the passenger car tyre segment, in the commercial vehicle and two-wheeler segments, India still has a lot of potential for growth. The increase in research and development by domestic players to make cost-effective radial tyres, coupled with growing low-cost Chinese imports, the process of radicalisation of commercial vehicle and two-wheeler segments is expected to happen at a faster rate.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

TYRE PRODUCTION IN INDIA

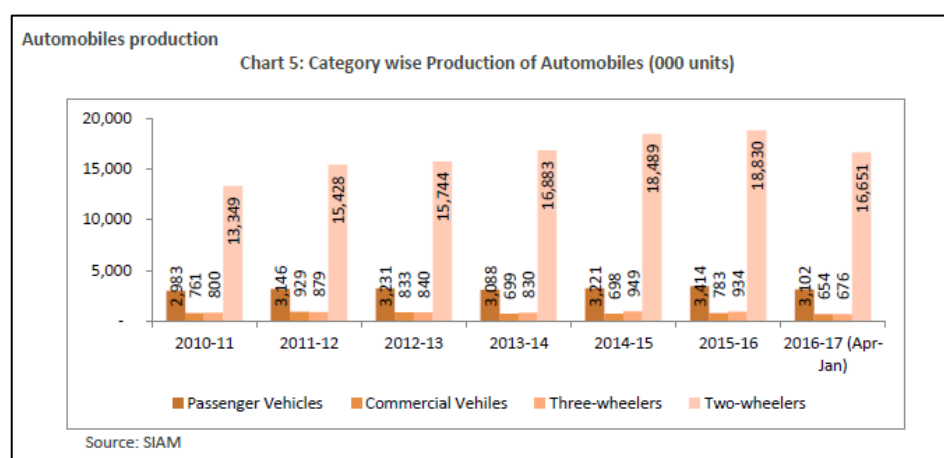
Indian tyre industry is highly competitive with the presence of a large number of global and Indian auto-companies. However, top 10 companies account for about 80% of the market share. Tyre demand is directly proportional to the automobiles demand. Therefore, demand swings in the automobiles have an impact on the demand for tyres. India's annual automobiles production registered a sluggish growth of 2.6% y-o-y in 2015-16. This led to decline in demand for tyres as well during the year. Tyres production (in volume terms) increased only marginally by about 4% in 2015-16 after increasing by about 13% in the preceding year.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Category wise, two & three wheeler tyres have a share of about 53% in the overall tyre production. This is followed by passenger vehicles and commercial vehicles with a share of about 26% and 17% respectively. Tractor segment constitutes only about 4% of the total tyre produced in the country. Off-the-road and other tyres constitute minute shares of less than 1% of the industry production. A similar share trend is witnessed in the sales of tyres registered in the country.

In 2016-17 (Apr-Dec), tyre production increased by 11.9% y-o-y on back of increased OEM demand as well as the replacement market. PV production grew by about 12%, Tractors by about 17%, CVs and Two and Three wheelers production by about 4% and 5.5% respectively during the same period. However, cheaper imports from China and slower exports pose a threat to this growth in production of tyres.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

In 2015-16, India's annual production stood at 23,960,940 vehicles (including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle) as against 23,358,047 in 2014-15, registering a sluggish growth of 2.6% y-o-y. Two-wheelers have dominated the production volumes of the automobile industry over the years. Over the past 4 years, Two-wheeler production share in the overall automobile production has remained constant at around 80%. This is followed by passenger vehicles having a share of 14%. Productions of commercial vehicles and three-wheelers have about 3% share each in the automobile industry.

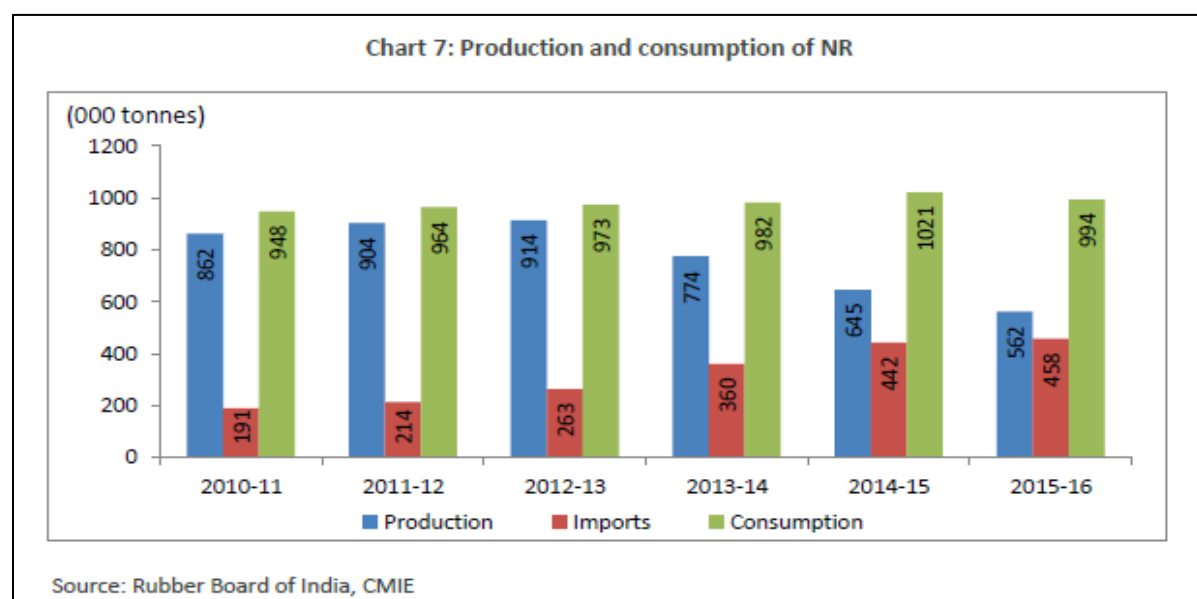
Two & Three wheelers together comprising about 83% in the overall automobile production in 2015-16, demands about 53% of the total tyre production volumes, followed by passenger vehicles segment that accounts for about 26% share of the total tyre production volumes.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Raw Material

Raw material cost forms the largest cost head in the tyre industry accounting for about 65-70% of the total. The main raw materials used to manufacture tyres are natural rubber, poly butadiene rubber (PBR), styrene butadiene rubber (SBR) and nylon tyre cord fabric. All these raw materials impart different properties, which are combined to develop tyres with particular characteristics. Rubber including (natural and synthetic), nylon tyre cord fabric (NTC) and carbon black constitute a significant portion i.e. ~60-65% of the overall raw material cost of the industry. Hence any change in the prices of these materials impact the overall industry's profitability. However, since FY13 the rubber prices witnessed a correction thereby reducing the overall raw material cost as a percentage of total expenditure to 68% on aggregate basis in FY16 as compared to 80% in FY11. However, the price of rubber is prone to fluctuations and in 2016-17 (Apr-Feb), domestic and international rubber prices increased by about 28% after declining by 24% and 15% y-o-y for two consecutive years. The demand-supply gap in production and consumption of rubber in the country remains the reason for higher natural rubber prices in the domestic market and competitive prices in the international market leads to high imports from the international market. With high rubber prices in the domestic market on account of lower production, imports of rubber has increased over the past few years to about 45% in the 2015-16 from about 18% in 2010-11.

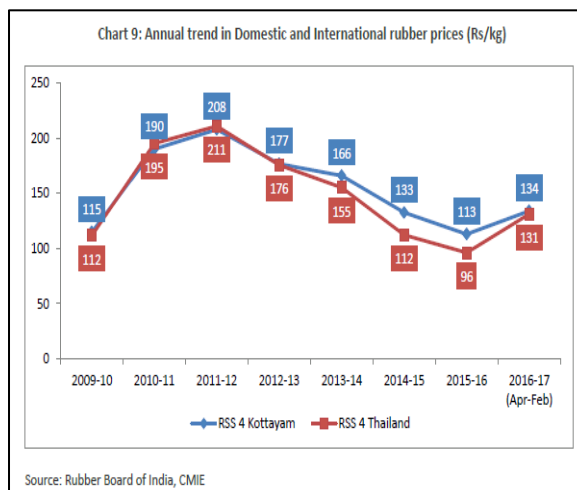
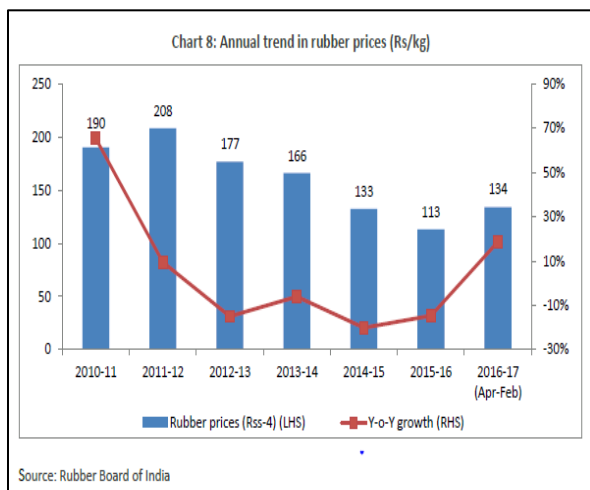
Rubber



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Rubber is a major component in manufacturing of a tyre. There are three categories of rubber used in the manufacturing process viz natural rubber (NR), styrene butadiene rubber (SBR) and poly butadiene rubber (PBR).

Natural rubber is an elastic hydrocarbon polymer that is originated from milky colloidal suspension or latex found in the sap of some plant. Natural rubber forms around 70% of the total rubber content, which is a sharp contrast of its usage in the developed markets like USA, Europe and Japan, where it is estimated to be around 35-40%. One of the primary reasons for more usage of natural rubber in India is its local availability with India being one of the largest producers in the world. In addition to this, natural rubber absorbs greater amount of heat and is more adaptable to poor road condition and overloading compared to synthetic rubber.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Styrene Butadiene Rubber (SBR) is a synthetic rubber which imparts abrasion and fatigue resistance in tyres and is used in blend with natural rubber and accounts for about 5-7% of the total raw materials costs. The content of SBR is higher in radial tyres than cross-ply tyres. However due to its poor tear strength especially at high temperatures its usage is observed to be comparatively lower in heavy duty truck tyres. In India, the demand for SBR has picked during past few years as penetration of radial tyres in passenger car industry has increased considerably. Non-tyre applications of SBR include footwear industry, car mats, battery containers, gaskets, toys etc.

Apcotex is the only major manufacturer of SBR in India. However, the grades SBR S1712 and S1502 which are used in tyre manufacturing are not manufactured domestically. Hence total demand of SBR for the tyre industry is met through imports from Thailand, Indonesia and Vietnam.

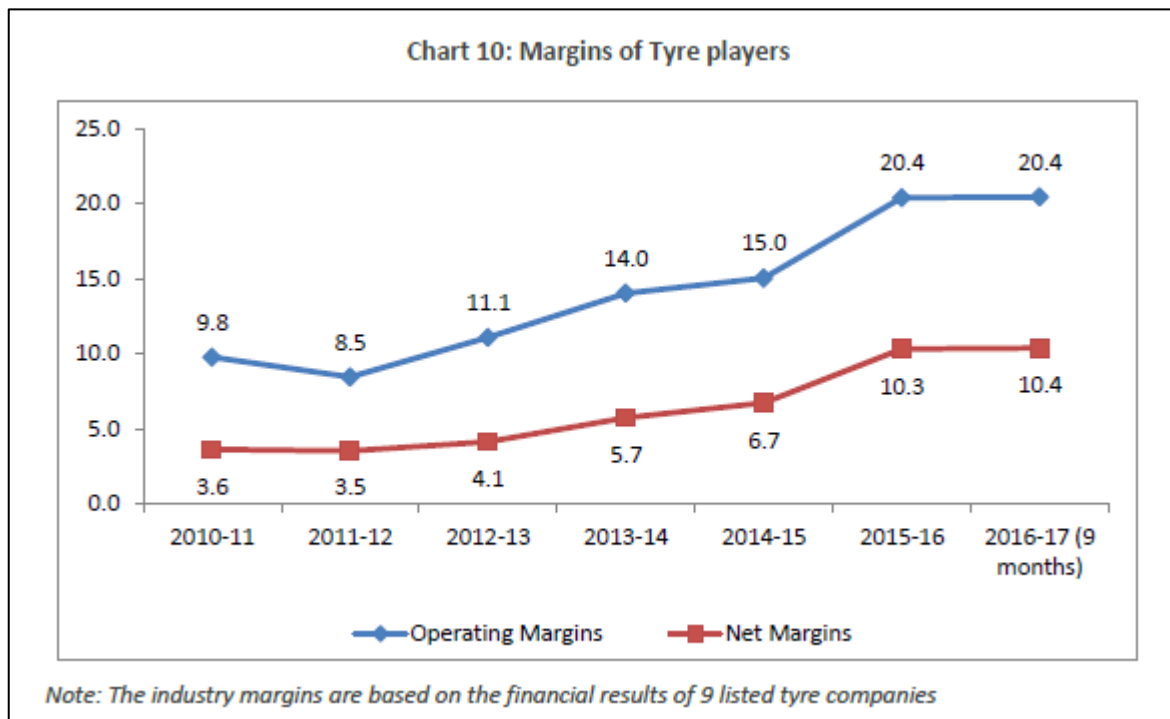
Poly Butadiene Rubber (PBR) is the other variant of synthetic rubber used in the tyre industry which accounts for about 5% of the total raw material cost of tyre manufacturers. It is used as tyre treads, sidewalls, carcass and bead fillers which gives tyres increased mileage and flex cracking properties. Reliance Industries is the sole producer of PBR in the country.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

FINANCIAL PERFORMANCE OF TYRE PLAYERS

The top 10 players account for about 80% market share in the domestic tyre industry. Raw materials prices impact the margins of players as the raw material cost accounts for about 65-70% of total. Raw material prices have declined on a y-o-y basis over the past two years. As a result, tyre players have been able to report strong growth in the margins. In 2016-17, with surge in rubber costs, overall raw material costs are expected to increase. During April 2016 to Feb 2017 period, domestic natural rubber prices have increased by a sharp 19% y-o-y after declining for two consecutive years. This led to a marginal decline of 1.2% in aggregate operating profits of the 9 companies for 9 month period in

2016-17. However, despite this increase in prices of raw materials and marginal decline in operating profits, the tyre industry's operating profitability remained range bound during the Apr-Dec 2016-17 on account of about 1.6% increase in sales during the period. Also, with the significant capex in the industry, the industry's aggregate debt increased by about 7% to reach Rs 80.30 billion in 2015-16. However, with higher operating profit, the interest coverage of the industry has improved to 11.5 times in FY16 from about 7 times in FY15.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

NOTABLE TRENDS IN THE INDIAN AUTO COMPONENTS SECTOR:

Global components sourcing hub

Major global OEMs have made India a component sourcing hub for their global operations. Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries. India is also emerging as a sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units in the country. For companies like Ford, Fiat, Suzuki & General Motors, India has established itself as a global hub for small engines

Improving product development capabilities

Increased investments in R&D operations & laboratories, which are being set up to conduct activities such as analysis, simulation & engineering animations. The growth of global OEM sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferred designing & manufacturing base. ACT established to offer technical services to ACMA members for enhancing process & quality abilities through various cluster programmes

Inorganic route to expansion

Mahindra Group agreed to form a 60:40 joint venture by acquiring Italy based car designer firm, Pininfarina SPA. In February 2017, with an investment of US\$ 29.74 million, Pricol inaugurated a 6.58 acres factory in Pune, to develop infrastructure & cater the growing electronic cluster business for off road, commercial vehicles, 2 wheelers, etc. Ansysco Anand collaborated with Japan's Seiken Chemical to sell coolant & brake fluids in Japan. At a cost of US\$14 million, Bharat Forge acquired US based - WFT & PMT Holding Inc., for expanding their product portfolio in automotive and other industrial segments. In May 2017, Rockman Industries Ltd, a Gurugram-based auto components

manufacturer, which acquired Moldex Composites in January, has set up an office in the U.K. through which Moldex will be expand into the U.S. & Europe.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

FAVOURABLE POLICY MEASURES AIDING GROWTH

Auto Policy 2002

Automatic approval for 100 per cent foreign equity investment in auto component manufacturing facilities. Manufacturing & imports are exempt from licensing & approvals.

NATRiP

Set up at a total cost of USD388.5 million to enable the industry to adopt & implement global performance standards. Focus on providing low-cost manufacturing & product development solutions.

Department of Heavy Industries & Public Enterprises

Created a USD200 million fund to modernise the auto components industry by providing an interest subsidy on loans & investment in new plants & equipment. Provided export benefits to intermediate suppliers of auto components against the Duty Free Replenishment Certificate (DFRC).

FAME (April, 2015)

Planning to implement Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME) till 2020 which would cover all vehicle segments, all forms of hybrid & pure electric vehicles.

Automotive Mission Plan 2016-26 (AMP 2026)

AMP 2026 targets a 4-fold growth in the automobiles sector in India which includes the manufacturers of automobiles, auto components & tractor industry over the next 10 years. It is expected to generate an additional employment of 65 million.

Union Budget 2017-18

The Union Budget 2017-18 has tried to boost skill development by announcing to increase the establishment of skill centers by ten folds. A reduction in tax on Liquefied Natural Gas (LNG) from 5 per cent to 2.5 per cent was also announced under the union budget.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

OUTLOOK OF THE AUTOMOBILE INDUSTRY

Category	Apr-Dec FY17 (Actual)	FY17 E*	FY18 E*
CVs	4.5%	5-7%	12-13%
PVs	10.3%	10-12%	12-13%
Two & Three wheelers	6.2%	8-10%	10-12%
Tractors	16.8%	16-18%	18-20%

Tyre OEM segment is expected to witness growth in 2016-17 largely driven by the buoyancy witnessed in automobile sales. Post demonetisation, growth estimation of two-wheelers and small cars has been hit slightly. However, lower cost of ownership of auto vehicles triggered by series of interest rate cuts, push on manufacturing and infrastructure segment by the government combined with lower fuel prices have resulted in recovery of auto sector. Tyre industry stands to benefit from this turnaround in OEM demand and stable replacement demand. However, tyre manufacturers supplying to CV, PV and tractors segment are expected to benefit the most in the near term as the outlook for these auto segments in the Indian market is relatively more positive than TW.

Capacity utilisation levels for manufacturing TBRs have come down to 60-65% from 80-85% in couple of years ago due to increasing dumping of TBR tyres from China. Also, the tyres and tubes industry was expected to witness completion of about 5 projects worth Rs 45.9 billion in 2016-17 adding an incremental capacity of about 13.7 million units to the industry. In the next two years (FY18 and FY19) about Rs 70 billion worth projects are to be completed adding another 12 million unit capacity to the industry. Going forward, significant capex will put pressure on the utilization levels and hamper the operational margins of the players.

Over the past few years, the trend in tyre production and sales for OEM market has been in line with the automobile sales for the period i.e., production of tyres has been about 1.5 times that of a vehicle produced. While the demand from replacement market has comparatively been higher. Sales are expected to grow in the range of 10-11% per annum during 2017-18. Both, domestic and export demand for tyres is expected to remain robust during this period on the back of strong growth prospects for Auto OEMs as well as the stable replacement market.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

AUTO COMPONENTS: ADVANTAGE INDIA

Robust Demand

Growing working population & expanding middle class are expected to remain key demand drivers. India is set to break into the league of top 5 vehicle producing nations. Reduction in excise duties in motor vehicles sector to spur the demand for auto components

Export Opportunities

India is emerging as global hub for auto component sourcing. Relative to competitors, India is geographically closer to key automotive markets like the Middle East & Europe

Competitive advantages

A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe & Latin America. Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system. 3rd largest steel producer globally hence a cost advantage

Policy support

Continued policy support in the form of Auto Policy 2002 In September 2015, Automotive Mission Plan 2016-26 was unveiled which targets a fourfold growth for the sector. Strong support for R&D & product development by establishing NATRIP centers. 100 per cent FDI allowed under automatic route for auto component sector

FY 16 Market size: USD39 billion

FY 21E Market size: USD115 billion

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

SUMMARY OF BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Innovative Tyres and Tubes Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

Incorporated in the year 1995, we are a tyre and tube manufacturing Company, manufacturing & marketing our products under our flagship brand “Innovative”. We started our journey with the acquisition of a greenfield project situated at Halol in auction from Gujarat State Financial Corporation and State Bank of Bikaner & Jaipur vide agreement dated December 15, 1995. Thereafter we revamped the closed company to our tube manufacturing facility at this property and started manufacturing of tubes in the year 1996. Within a short time after our inception, we were able to successfully get our facility approved by CEAT Limited for carrying out job work activities for them.

As a result of strong business relationship with CEAT Limited, taking the relationship to the next level we set up a greenfield tyre project as a major outsourcing unit in 2003 in a close vicinity of the existing first tube plant in Halol only. While our tube manufacturing facility is spread over 11,200 sq. mtrs, our tyre manufacturing facility occupies an area of approximately 27,833 sq. mtrs. We have an installed production capacity of 12,000 MT of tubes and tyres. Taking a leaf of learning of tyre manufacturing with two-three-wheeler tyre segment, we graduated over a period of 15 years into manufacturing of practically all segments of Nylon Tyres. Today our product range covers all highway sizes, Off The Road (OTR) highway sizes, agriculture and industrial tyres. We also have a factory outlet for display of our products at Vadodara. Our Company have flexibility in our manufacturing facility to address market requirements. Hence product wise revenue data is not maintained by our Company. However, the product wise quantity sold during FY 2016-17 is as under:-

Segment	Total Volume
Two/three wheeler tyres	3,718 MT
Light Commercial Vehicle	2343 MT
Truck Segment	3013 MT
Agriculture and Off the Road Tyres segment	669 MT

Currently our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited For the year ended March 31, 2017, our revenue from export operations constituted 44% (including deemed export) of our total revenue from operations. We have a widespread customer base with our domestic customer base situated in most of the regions of the country and our international customers situated across varied countries covering Middle East, South East Asia, Africa, Latin American Countries etc. We have also been undertaking job work activity for CEAT for more than two decades.

Our Company is promoted by Mukesh Desai and Pradeep Kothari. While our promoter Mukesh Desai has been associated with our Company since its inception, our other Promoter Pradeep Kothari became a part of our Company in 2014. Our Promoter Mukesh Desai is having engineering background with more than three decades experience in techno commercial management experience in multi-product, multi-location project installation and operation. Our Promoter Pradeep Kothari has wide experience of multinational companys’ representation by way of trading, and managing manufacturing. He looks after procurement, finance and also finalizing strategy of the Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.

Customer centricity and quality consciousness have been our major strengths. We believe in a customer centric business model and endeavour to supply customised products to meet our customer’s demands. Further we have also been accredited with various quality certifications such as ISO, BPPT issued by Indonesia, Standards Organisation of Nigeria (SON) and PNS certification issued by Bureau


of Philippine Standards of the Department of Trade and Industry issued, Compliance statement issued by RDW, Netherlands, Bureau of India Standards. Needless to say, our company (both the tyre and tube plants) are BIS (ISI required for Tyres & Tubes) approved and almost all required sizes has got BIS product certification, which is mandatory for manufacturing and marketing Tyres & Tubes in India. We have also been awarded with “PAR Excellence” award by National Convention on Quality Concepts organised by Quality Circle Forum of India.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 10,301.63 lakhs to Rs. 13,253.77 lakhs, representing a CAGR of 6.69% ii) our EBITDA has shown growth from Rs. 961.51 lakhs to Rs. 1438.20 lakhs, representing a CAGR of 10.59% iii) our profit after tax has shown growth from Rs. 77.51 lakhs to Rs. 407.85 lakhs, representing a CAGR of 51.45% and iv) our Return on networth has shown a growth from 3.18% to 8.89%

OUR PRODUCT BASKET


Some of our key product offerings include:

- Motorcycle and Scooter Tyres
- Three-Wheelers and Passenger Vehicle Tyres
- Light-Truck and Bus Tyres
- Truck and Bus Tyres
- Special Purpose Tyres
- Agriculture Equipment Tyres:

Segment	Sample Product Image	Range	
MOTORCYCLE AND SCOOTER TYRES:	<p>Classic</p>  <ul style="list-style-type: none"> ➤ The legend of racing with superior grip and safety. ➤ Excellent Control during cornering. ➤ Excellent puncture resistance. 	<p>Classic ITM Series Nylo Hi Gripp ZAP Series Amaze Eco Ride Rider Eurosky Champ</p>	<p>Victor XX Dura Tuf Dura Sport Gripp Sport City Ride Jumbo Plus Miller Angel</p>
THREE-WHEELERS AND PASSENGER VEHICLE TYRES:	ITR-111	<p>Range ITR-111 Smooth Drive ITR-224 ITL-333</p>	

Segment	Sample Product Image	Range	
	 <ul style="list-style-type: none"> ➤ The legend of racing with superior grip and safety. ➤ Excellent Control during cornering. ➤ Excellent puncture resistance. 		
LIGHT-TRUCK TYRES:	ITL-444  <ul style="list-style-type: none"> ➤ Full range of sizes to capture both domestic and export market. ➤ Customer satisfaction for the cost per kilometre. ➤ Mileage ka Badshah/Champion. 	Range ITL-444 (LUG) ITR-222 (RIB) ITS-777 ITR-111 ITS-888 (S/L) S-78	

Segment	Sample Product Image	Range	
TRUCK AND BUS TYRES:	SPRINTER  <ul style="list-style-type: none"> ➤ Full range of sizes to capture both domestic and export market. ➤ Customer satisfaction for the cost per kilometre. ➤ Mileage ka Badshah/Champion. 	Range SPRINTER (LUG) ITS-888 (S/L) ITL-444 (LUG) ITR-222 (RIB) ITS-777 ITR-111 VIVA (LUG) ITL-999 (LUG)	RIB LUG 088 (S/L) MARSHAL XXX (RIB) SIGMA XXX (LUG) NAVIGATOR (RIB) POWER MINER (MINNING)
SPECIAL PURPOSE TYRES:	POWER MINER  <ul style="list-style-type: none"> ➤ Premium casing with durable compounds. ➤ Excellent resistance to impact punctures. ➤ Less downtime in services. 	Industrial/ Grader Tyres (Range SKID STEER, JUMBO, HULK, AIR BOSS, ITL-718, GRIPSTER) Off-The-Road Tyres (OTR) (Range POWER MINER) Flotation Tyres Sand Rider	
AGRICULTURE EQUIPMENT TYRES:	SURYA	Agriculture Equipment Tyres (Range SURYA) Animal Drawn Vehicle	

Segment	Sample Product Image	Range	
	 <ul style="list-style-type: none"> ➤ High traction, self-cleaning. ➤ Cut resistance tread compound. ➤ Excellent for haulage and field. 	(ADV) Tyres (Range ITA-888)	

SUMMARY OF FINANCIAL STATEMENTS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE-I

(Rs. in Lacs)

Sr. No.	Particulars	As March 31,				
		2017	2016	2015	2014	2013
1)	Equity & Liabilities					
	Shareholders' funds					
	a. Share capital	1,694.81	1,309.31	934.31	934.31	784.31
	b. Reserves & surplus	2,891.79	2,483.94	2,294.85	1,882.49	1,656.89
	Sub-total	4,586.60	3,793.25	3,229.16	2,816.80	2,441.20
2)	Share Application Money Pending Allotment	-	228.00	375.00	-	-
3)	Non-current liabilities					
	a. Long-term borrowings	354.07	16.00	227.10	509.05	1,055.34
	b. Deferred tax liabilities (net)	748.64	735.87	702.81	644.84	528.48
	c. Other Long Term Liabilities	2,528.96	2,375.64	2,457.55	2,500.85	2,075.78
	d. Long-term provisions	85.36	69.12	61.51	26.54	34.89
	Sub-total	3,717.03	3,196.63	3,448.97	3,681.28	3,694.49
4)	Current liabilities					
	a. Short-term borrowings	1,573.97	1,690.16	1,668.21	1,496.63	1,433.10
	b. Trade payables	2,511.59	2,956.59	3,662.28	1,967.40	1,750.04
	c. Other current liabilities	512.90	542.36	935.90	736.69	710.14
	d. Short term provisions	236.12	152.26	268.04	245.73	158.76
	Sub-total	4,834.58	5,341.37	6,534.43	4,446.45	4,052.04
	T O T A L (1+2+3+4)	13,138.21	12,559.25	13,587.56	10,944.53	10,187.73
5)	Non-current assets					
	a. Fixed assets					
	i. Tangible assets	5,788.69	5,999.96	5,975.38	6,083.94	6,059.12
	ii. Intangible assets	0.41	0.57	0.73	13.60	26.29
	iii. Capital Work-in Progress	1,529.57	1,303.97	1,351.01	844.95	527.94
	Sub-total	7,318.67	7,304.50	7,327.12	6,942.49	6,613.35
	b. Non-Current Investments	0.33	0.33	0.33	0.33	0.33
	c. Deferred Tax Assets (Net)	-	-	-	-	-
	d. Long term loans & advances	81.63	156.37	295.11	231.37	141.87
	e. Other non-current assets	-	-	-	-	-
	Sub-total	81.96	156.70	295.44	231.70	142.20
6)	Current assets					
	a. Inventories	3,064.14	2,097.45	2,751.68	1,882.55	2,065.42
	b. Trade receivables	1,434.69	1,568.97	2,005.31	786.92	483.63
	c. Cash and bank balances	427.19	387.10	393.87	366.16	321.87
	d. Short term loans & advances	105.98	53.31	136.96	106.87	115.77
	e. Other current assets	705.58	991.22	677.18	627.84	445.49
	Sub-total	5,737.58	5,098.05	5,965.00	3,770.34	3,432.18
	T O T A L (5+6)	13,138.21	12,559.25	13,587.56	10,944.53	10,187.73

STATEMENT OF PROFIT AND LOSS AS RESTATED ANNEXURE II
(Rs. in Lacs)

Sr. No.	Particulars	As March 31				
		2017	2016	2015	2014	2013
1	INCOME					
	Revenue From Operation (Gross)	13,636.98	12,735.08	13,169.70	12,734.44	10,524.38
	Less: Excise Duty	419.38	379.87	265.02	132.61	277.41
	Revenue From Operation (Net)	13,217.60	12,355.21	12,904.68	12,601.83	10,246.97
	Other income	36.17	235.06	147.78	55.97	54.66
	Total revenue (A)	13,253.77	12,590.27	13,052.46	12,657.80	10,301.63
2	EXPENDITURE					
	Cost of Goods Consumed	8,581.81	6,943.60	8,683.90	7,586.90	6,504.39
	Purchase of Traded Goods	-	-	-	-	-
	Changes in Inventories of finished goods, work in progress and stock -in-trade	-983.75	574.21	-564.33	58.74	-550.01
	Employee Benefit Expenses	516.45	466.50	420.45	364.87	375.31
	Finance costs	420.14	518.83	450.72	446.22	563.43
	Depreciation and amortization expenses	400.08	386.36	260.79	191.49	177.29
	Other expenses	3,701.06	3,284.10	3,330.60	3,667.62	3,010.43
3	Total expenses (B)	12,635.79	12,173.60	12,582.13	12,315.84	10,080.84
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	617.98	416.67	470.33	341.96	220.79
	Exceptional items	-	-	-	-	-
4	Net profit/ (loss) before extraordinary items and tax, as restated	617.98	416.67	470.33	341.96	220.79
	Extraordinary items	-	96.79	-	-	-
5	Net profit/ (loss) before tax, as restated	617.98	319.88	470.33	341.96	220.79
	Tax expense:					
	(i) Current tax	197.36	97.73	94.10	68.41	44.95
	(ii) Deferred tax (asset)/liability	12.77	33.06	57.97	116.36	143.28
	(ii) Mat Credit	-	-	-94.10	-68.41	-44.95
	Total tax expense	210.13	130.79	57.97	116.36	143.28
6	Profit/ (loss) for the year/ period, as restated	407.85	189.09	412.36	225.60	77.51

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE III

(Rs. in Lacs)

Particulars	As March 31				
	2017	2016	2015	2014	2013
Cash flow from operating activities:					
Net profit before tax as per statement of profit and loss	617.98	319.88	470.33	341.96	220.79
Adjusted for:					
Depreciation	400.08	386.36	260.79	191.49	177.29
Loss on sale of fixed assets	6.81	51.89	2.83	-	11.14
Sundry Balance Written Off	1.81	7.26	30.17	0.97	1.33
Bad Debts	-	-	-	-	-
Interest paid	420.14	518.83	450.72	446.22	563.43
Interest income	-31.48	-31.58	-50.03	-32.99	-41.77
Short Term Investment Income	-	-	-	-	-
Credit Balance Written Back	-4.69	-40.96	-81.31	-4.94	-2.81
Profit on Sale of Fixed Assets	-	-	-	-14.57	-
Dividend	-	-	-	-0.03	-0.05
Operating cash flow before working capital changes	1,410.65	1,211.68	1,083.50	928.11	929.35
Adjusted for:					
(Increase)/Decrease in Inventories	-966.69	654.23	-869.13	182.87	-636.73
(Increase)/Decrease in Trade Receivables	134.28	436.34	-1,218.39	-303.29	38.47
(Increase)/Decrease in Short Term Loans & Advances	-52.67	83.65	-30.09	8.90	-44.00
(Increase)/Decrease in Long Term Loans & Advances	74.74	138.74	-63.74	-89.50	-56.85
(Increase)/Decrease in other current assets	285.64	-314.04	-49.34	-182.35	-179.21
Increase/(Decrease) in Other non current Assets	-	-	-	-	-
Increase/(Decrease) in Current Liabilities	-474.46	-1,099.23	1,894.09	243.91	13.66
Increase/(Decrease) in Short Term Provisions	83.86	-115.78	22.31	86.97	92.31
Increase/(Decrease) in other non current liabilities	153.32	-81.91	-43.30	425.07	1,161.59
Debit/Credit Bal no longer required w/off or W/back	2.88	33.70	51.14	3.97	1.48
Increase/(Decrease) in Long Term Provisions	16.24	7.61	34.97	-8.35	8.28
Cash generated from operations	667.79	954.99	812.02	1,296.31	1,328.35
Income taxes paid	-197.36	-97.73	-	-	-

Particulars	As March 31				
	2017	2016	2015	2014	2013
Cash Flow Before Extraordinary Item	-	-	-	-	-
Unsecured loan written off	-	-	-	-	-
Net cash flow from operating activities(A)	470.43	857.26	812.02	1,296.31	1,328.35
Cash flow from investing activities:					
Purchase of Fixed Assets	-211.21	-676.23	-148.84	-240.51	-327.77
proceeds from sale of fixed assets	15.75	213.56	6.65	51.46	30.66
Investment made during the year	-	-	-	-	-
Increase/(Decrease) in Capital WIP	-225.60	47.04	-506.06	-317.01	-527.94
Interest Income	31.48	31.58	50.03	32.99	41.77
Dividend	-	-	-	0.03	0.05
Short Term Investment Income	-	-	-	-	-
Net cash used in investing activities (B)	-389.58	-384.05	-598.22	-473.04	-783.23
Cash flow from financing activities:					
Proceeds from Issue of Share Capital	157.50	228.00	375.00	150.00	-
Securities premium received	-	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	-116.19	21.95	171.58	63.53	18.52
Increase/(Decrease) in Long Term Borrowings	338.07	-211.10	-281.95	-546.29	-182.82
Interest Paid	-420.14	-518.83	-450.72	-446.22	-563.43
Net cash flow from/(used in) financing activities (C)	-40.76	-479.98	-186.09	-778.98	-727.73
Net increase/(decrease) in cash & cash equivalents (A+B+C)	40.09	-6.77	27.71	44.29	-182.61
Cash & cash equivalents as at beginning of the year	387.10	393.87	366.16	321.87	504.48
Cash & cash equivalents as at end of the year	427.19	387.10	393.87	366.16	321.87

THE ISSUE

The following table summarizes the Issuer details:

Particulars	Details of Equity Shares
Issue of Equity Shares by Our Company	62,97,000 Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●]/- per Equity share aggregating to Rs. [●] Lakhs
Of Which:	
Market Maker Reservation Portion	[●] Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●] /- per Equity share aggregating to Rs. [●] Lakhs
Employee Reservation	[●] Equity Shares of face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. [●] /- per Equity share aggregating to Rs. [●] Lakhs will be available for allocation up to Rs. 2.00 Lakhs.
Net Issue to the Public	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at a price of Rs. [●] /- per share aggregating Rs. [●] Lakhs
	<i>Of which</i>
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company at a cash price of Rs. [●] /- per Equity share aggregating Rs. [●] Lakhs will be available for allocation to Investors up to Rs. 2.00 Lakhs
	[●] Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of [●]/- per Equity Share aggregating Rs. [●] lakhs will be available for allocation to investors above Rs. 2.00 Lakhs
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,16,94,561 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	1,79,91,561 Equity Shares of face value of Rs.10 each
Use of proceeds of this Issue	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 104 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

Notes

The Issue has been authorized by the Board of Directors *vide* a resolution passed at its meeting held on April 01, 2017 and by the shareholders of our Company *vide* a special resolution passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 25, 2017.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.

1. *The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - i. Individual applicants other than retail individual investors; and
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

2) The Employee Discount, if any, will be determined by the Company in consultation with the BRLM and will be offered to Eligible Employees, at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount (which will be less Employee Discount), at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Retail Individual Bidders and Eligible Employees must ensure that the Bid Amount, does not exceed Rs 200,000. Retail Individual Bidders and Eligible Employees should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Bidders and Eligible Employees must mention the Bid Amount.

For further details please refer to section titled ‘Issue Information’ beginning on page 298 of this Draft Red Herring Prospectus.

GENERAL INFORMATION

Our Company was originally incorporated as “Innovative Tyres & Tubes Limited” at Mumbai, Maharashtra as a public limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 28, 1995 bearing Registration Number 11-94817 issued by Registrar of Companies, Maharashtra, Mumbai. The certificate of Commencement of Business was granted by Registrar of Companies, Maharashtra on February 08, 1996 issued. Pursuant to change in the registered office of our Company from one state to another state vide resolution passed by shareholders of our company in the Annual General Meeting held on August 23, 2014 and a certificate in respect of which was issued by Registrar of Companies, Ahmedabad, on April 27, 2016. The Corporate Identification Number (CIN) of our Company is U25112GJ1995PLC086579.

For details of Incorporation, Change of Name and Registered Office of our Company, please refer to chapter titled ‘*Our History and Certain Other Corporate Matters*’ beginning on page 188 of this Draft Red Herring Prospectus.

REGISTERED OFFICE OF OUR COMPANY**Innovative Tyres & Tubes Limited**

1201, 1202, 1203 – GIDC Halol,

Panch Mahals - 389350,

Gujarat, India

Telefax: +91 2676 220621

Email: investors@innovativetyres.co.in

Website: www.innovativetyres.com

Corporate Identification Number: U25112GJ1995PLC086579

CORPORATE OFFICE OF OUR COMPANY**Innovative Tyres & Tubes Limited**

"GovindKrupa Bungalow",

Ground Floor, Opp. 15 Alkapuri Soc.

B/H Alkapuri Police Chowky

R.C. Dutt Road,

Vadodara - 390007

REGISTRAR OF COMPANIES**Registrar of Companies, Ahmedabad, Gujarat**

ROC Bhavan, Opp. Rupal Park Society,

Behind Ankur bus stop,

Naranpura, Ahmedabad-380013,

Gujarat, India

Website: www.mca.gov.in

DESIGNATED STOCK EXCHANGE**EMERGE Platform of National Stock Exchange of India Limited****National Stock Exchange of India Limited**

Exchange Plaza, C/1, G Block,

Bandra Kurla Complex

Bandra (East), Mumbai - 400 051,

Maharashtra, India

BOARD OF DIRECTORS OF OUR COMPANY

Sr. No.	Name	Age (in Years)	DIN	Address	Designation
1.	Mukesh Desai	61	00089598	15, Saraswati Society, Opp. Ruturaj Complex, vasna road, Baroda – 390015, Gujarat, India	Chairman and Managing Director
2.	Pradeep Kothari	52	00572331	3, Manisagar Society, Aditya Bungalows, Near Utsav Row House, Thaltej, Ahmedabad – 380054, Gujarat, India	Whole Time Director
3.	Nitinbhai Mankad	67	00089701	6/A, J.P. Nagar, Old Padra Road, Vadodara 390015, Gujarat, India	Whole Time Director
4.	Keyoor Bakshi	60	00133588	B 305, Silver Gardenia, opp. vishvanath mahadev temple, S G High way, gota, Ahmedabad 382481, Gujarat, India	Independent Director
5.	Ganesan Kalyanaraman	60	02013349	F 505, Army Welfare Society, Dara Enclave, Sector No 9, Nerul, Navi Mumbai 400706, Maharastra, India	Independent Director
6.	Kalpna Joshipura	62	07849507	50, Shivnagar society, Kanjari Road, Halol, Vadodara 389350, Gujarat, India	Independent Director

For further details of our Directors, please refer to the chapter titled “*Our Management*” beginning on page 194 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Sejal Desai

Innovative Tyres & Tubes Limited

1201, 1202, 1203 – GIDC Halol,

Panch Mahals - 389350,

Gujarat, India

Telefax: +91 2676 220621

Email: cs@innovativetyres.co.in

Website: www.innovativetyres.com

CHIEF FINANCIAL OFFICER

Arvind Tambi

Innovative Tyres & Tubes Limited

1201, 1202, 1203 – GIDC Halol,

Panch Mahals - 389350,

Gujarat, India

Telefax: +91 2676 220621

Email: cfo@innovativetyres.co.in

Website: www.innovativetyres.com

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

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

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

STATUTORY AUDITOR AND PEER REVIEW AUDITOR

Maloo Bhatt and Co.

Chartered Accountants

204-207, 2nd floor Parshwa Complex,
Near Cash N Carry, Ellorapark,
Vadodara – 390023

Tel No.: +91 265 2392631

Email: yash_bhatt1@yahoo.com

Contact Person: CA. Yash Bhatt

Firm Registration No.: 129572W

Membership No.: 117745

M/s Maloo Bhatt and Co., Chartered Accountants hold a peer reviewed certificate dated August 16, 2015 issued by the Institute of Chartered Accountants of India.

BOOK RUNNING LEAD MANAGER

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051, Maharashtra, India

Tel: +91 22 6194 6724

Fax: + 91 22 2659 8690

Email: ipo@pantomathgroup.com

Website: www.pantomathgroup.com

Contact Person: Kirti Kanoria

SEBI Registration No: INM000012110

REGISTRAR TO THE ISSUE**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra, India

Tel: +91 22 4918 6000

Fax: +91 22 4918 6060

Email: itatl.ipo@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Ms. Shanti Gopalkrishnan

SEBI Registration Number: INR000004058

Investor Grievance E-mail: itatl.ipo@linkintime.co.in

LEGAL ADVISOR TO THE ISSUE**M V Kini, Law Firm**

Kini House, Near Citi Bank,
D.N. Road, Fort, Mumbai - 400 001

Tel: +91 22 22612527/28/29

Fax: +91 22 22612530

E-mail: vidisha@mvkini.com

Contact Person: Vidisha Krishan

Website: www.mvkini.com

BANKER TO THE COMPANY**State Bank of India**

Specialised Commercial Branch,
2nd floor Trident Complex,
opp. GERI, Near Race Course,
Vadodara – 390007

Tel:- 0265-2310353, 2310756

Fax:- 0265-2310057

Email:- sbi.04086@sbi.co.in

Website:- www.sbi.com

Contact Person:- Mr. Chaganti Samba Murty

PUBLIC ISSUE BANK / BANKER TO THE ISSUE**ICICI Bank Limited**

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai – 400 020, Maharashtra,
India

Tel: +91 22 66818923/924

Fax: +91 22 22611138

Email: shraddha.salaria@icicibank.com

Contact Person: Shraddha Salaria

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

IndusInd Bank Limited

IndusInd Bank, PNA House, 4th Floor
Plot No 57 & 57/1, Street No. 17,
Near SRL, MIDC, Andheri East
Mumbai – 400093, Maharashtra, India

Tel : +91 22 61069243

Fax : +91 22 61069315

Email: suresh.esaki@indusind.com

Contact Person: Suresh Esaki

Website: www.indusind.com

SEBI Registration Number: INBI00000002

REFUND BANKER TO THE ISSUE

ICICI Bank Limited

Capital Market Division,
1st Floor, 122, Mistry Bhavan,
Dinshaw Vachha Road, Backbay Reclamation,
Churchgate, Mumbai - 400 020, Maharashtra, India

Tel: +91 22 66818923/924

Fax: +91 22 22611138

Email: shradha.salaria@icicibank.com

Contact Person: Shradha Salaria

Website: www.icicibank.com

SEBI Registration Number: INBI00000004

SYNDICATE MEMBER

Goldmine Stocks Private Limited

Goldmine House, 4, Niranjan Nirakar Soc.,
Near Shreyas Railway crossing,
Ahmedabad – 380007, Gujarat

Tel: +91 79 30088225

Fax: +91 79 26607298

Email: hemil@goldmine.net.in

Contact Person: Hemil Patel

SEBI Registration Number: INB230884633

Pantomath Capital Advisors Private Limited

406-408, Keshava Premises, Behind Family Court,
Bandra Kurla Complex, Bandra East, Mumbai –
400051, Maharashtra, India

Tel: +91 22 61946724

Fax: +91 22 26598690

Email: ipo@pantomathgroup.com

Contact Person: Madhu Lunawat

SEBI Registration Number: INM000012110

DESIGNATED INTERMEDIARIES

Self Certified Syndicate Banks

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on <http://www.sebi.gov.in/sebiweb/home/detail/32931/yes/List-of-Self-Certified-Syndicate-Banks-SCSBsfor-Syndicate-ASBA>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned SEBI link..

Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the National Stock Exchange of India Limited, as updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Registrar to Issue and Share Transfer Agents

The list of the RTAs eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of Stock Exchange at National Stock Exchange India Limited, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept Bid cum Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at National Stock Exchange of India Limited, as updated from time to time. The list of branches of the

SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

APPRAISAL AND MONITORING AGENCY

As per regulation 16(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10,000 Lakhs. Since the Issue size is only of Rs. [●] lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

EXPERT OPINION

Except the report of the Peer Reviewed Auditor on statement of tax benefits and report on restated financials for the year ended March 2017, 2016, 2015, 2014 and 2013 included in this Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process, and advertised in all editions of a widely circulated English Newspaper, all editions of a widely circulated Hindi Newspaper and a widely circulated Gujarati Newspaper, Gujarati being the regional language of Gujarat, where our registered office is situated at least five working days prior to the Bid/ Issue Opening date, after the Bid/Issue Closing Date. The Issue Price shall be determined by our Company, in consultation with the BRLM in accordance with the Book Building Process. Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Pantomath Capital Advisors Private Limited, the Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue and;
- The Designated Intermediaries

This Issue is being made through the 100 per cent Book Building Process wherein 50 per cent of the Issue shall be available for allocation to Retail Individual Bidders and the balance shall be offered to QIBs and Non-Institutional Investors. Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under-subscription, if any, in any category, would be

allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Stock Exchange.

All Bidders (excluding Anchor Investors) can participate in the Issue only through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process. In accordance with the SEBI Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees can revise or withdraw their Bids prior to the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. The allocation in the net Issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - i. Individual applicants other than retail individual investors; and
 - ii. Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage

2) Further, [●] Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in Employee Reservation Category shall be added to the Net Issue to the public. Under-subscription, if any in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

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

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 309 of this Draft Red Herring Prospectus

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue) Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, Issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book 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 (Rs.)	Cumulative Bid Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to Issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the Book Running Lead Manager will finalize the Issue

price at or below such cut-off price, i.e., at or below Rs. 22/-. All bids at or above this Issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding:

1. Check eligibility for making a Bid (see section titled “Issue Procedure” on page 309 of this Draft Red Herring Prospectus);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
4. Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

BID / OFFER PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to Demat Accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period. On the Issue Closing Date, the Bids and any revision to the same shall be accepted between 10.00 a.m. and 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Non Retail Bidders shall not be allowed to either withdraw or lower the size of their Bid at any stage. Non Retail Bidders may revise their Bids upwards (in terms of quantity of Equity Shares) during the Issue Period. Such upward revision must be made using the Revision Form.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / Stock Brokers, as the case may be, for rectified data.

UNDERWRITER

Our Company and Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated September 01, 2017 and pursuant to the terms of the underwriting agreement; obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being offered through this Issue

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lakhs)	% of the Total Issue Size Underwritten
Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India Tel: +91 22 61946724 Fax: +91 22 26598690 Email: ipo@pantomathgroup.com Contact Person: Madhu Lunawat SEBI Registration Number: INM000012110	62,97,000*	[●]	100%
Total	62,97,000	[●]	100%

DETAILS OF THE MARKET MAKING ARRANGEMENT

Our Company and the Book Running Lead Manager have entered into an agreement dated September 01, 2017 with the following Market Maker, duly registered with NSE EMERGE to fulfill the obligations of Market Making:-

Goldmine Stocks Private Limited

Goldmine House, 4, Niranjana Nirakar Soc.,

Near Shreyas Railway crossing,

Ahmedabad – 380007, Gujarat

Tel: +91 79 30088225

Fax: +91 79 26607298

Email: hemil@goldmine.net.in

Contact Person: Hemil Patel

SEBI Registration Number: INB230884633

Goldmine Stocks Private Limited registered with EMERGE Platform of National Stock Exchange of India Limited will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. Further, the Market Maker(s) shall inform the Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to Issue their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of [●]/- the minimum lot size is [●] Equity Shares thus minimum depth of the quote shall be Rs. [●]/- until the same, would be revised by NSE.
3. After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our Company reaches to 25% of Issue Size (including the [●] Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Offer over and above 25% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the Market Maker will resume providing 2-way quotes.
4. There shall be no exemption / threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for the Company's Equity Shares at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Goldmine Stocks Private Limited is acting as the sole Market Maker.
7. The shares of the company will be traded in continuous trading session from the time and day the company gets listed on EMERGE Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE and SEBI circulars.
8. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
9. The Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR)

Regulations. Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

10. NSE EMERGE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
11. NSE Emerge will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
12. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Market Makers during market making process has been made applicable, based on the issue size and as follows:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 crore to Rs. 50 crore	20%	19%
Rs. 50 to Rs. 80 crore	15%	14%
Above Rs. 80 crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.

CAPITAL STRUCTURE

Certain forms and resolutions filed with Registrar of Companies (prior to 2006), bank statements of the Company, and transfer forms are not traceable by our Company. With respect to changes in capital structure these include forms and resolutions for increase in authorised share capital, share capital allotment, annual returns, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.

The Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus and after giving effect to the Issue is set forth below:

Amount (Rs.in lakhs except share data)

No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	1,90,00,000 Equity Shares of face value of Rs. 10/- each	1,900.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	1,16,94,561 Equity Shares of face value of Rs. 10/- each	1,169.46	
C.	Present Issue in terms of this Draft Red Herring Prospectus		
	Issue of 62,97,000 Equity Shares of face value of Rs.10 each at a price of Rs. [●]/- per Equity Share	629.70	[●]
	Consisting:		
	1. Reservation for Market Maker – [●] Equity Shares of face value of Rs. 10/- each reserved as Market Maker portion at a price of Rs. [●]/- per Equity Share	[●]	[●]
	2. Employee Reservation – [●] Equity shares of face value of Rs. 10/- each reserved for eligible employees at a price of Rs. [●]/- per Equity Shares.	[●]	
	Net Issue to the Public – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share	[●]	[●]
	Of the Net Issue to the Public		
	Allocation to Retail Individual Investors – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of upto Rs. 2 lakhs	[●]	[●]
	Allocation to Other than Retail Individual Investors – [●] Equity Shares of face value of Rs. 10/- each at a price of Rs. [●]/- per Equity Share shall be available for allocation for Investors applying for a value of above Rs. 2 lakhs	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	1,79,91,561 Equity Shares of face value of Rs. 10/- each	1,799.16	
E.	Securities Premium Account		
	Before the Issue		926.45
	After the Issue		[●]

The Issue has been authorised by the Board of Directors of our Company *vide* a resolution passed at its meeting held on April 1, 2017 and by the shareholders of our company *vide* a Special Resolution passed pursuant to Section 62 (1) (c) of Companies Act, 2013 at the Extra-Ordinary General Meeting held on May 25, 2017.

The Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Details of changes in authorised Share Capital:

Since the Incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholder s' Meeting	AGM / EGM
Increased / Reclassified From	Increased / Reclassified To		
The authorised share capital of our Company on incorporation comprised of Rs.5,00,000 divided into 50,000 Equity Shares of Rs. 10 each		On Incorporation	-
Rs. 5,00,000 consisting of 50,000 Equity shares of Rs. 10 each	Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	March 20, 1997	EGM
Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10 each	Rs. 4,00,00,000 consisting of 40,00,000 Equity shares of Rs. 10 each	April 27, 2002	EGM
Rs. 4,00,00,000 consisting of 40,00,000 Equity shares of Rs. 10 each	Rs. 5,50,00,000 consisting of 55,00,000 Equity shares of Rs. 10 each	October 30, 2006	EGM
Rs. 5,50,00,000 consisting of 55,00,000 Equity shares of Rs. 10 each	Rs. 8,00,00,000 consisting of 80,00,000 Equity shares of Rs. 10 each	November 11, 2009	EGM
Rs. 8,00,00,000 consisting of 80,00,000 Equity shares of Rs. 10 each	Rs. 9,50,00,000 consisting of 95,00,000 Equity shares of Rs. 10 each	November 08, 2013	EGM
Rs. 9,50,00,000 consisting of 95,00,000 Equity shares of Rs. 10 each	Rs. 12,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10 each and 30,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each.	September 22, 2014	EGM
Rs. 12,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10 each and 30,00,000 cumulative redeemable Preference Shares of Rs. 10 each.	Rs. 13,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each.	March 27, 2015	EGM
Rs. 13,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10 each and 40,00,000 cumulative redeemable Preference Shares of Rs. 10 each.	Rs. 14,10,00,000 consisting of 1,01,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each.	March 28, 2015	EGM
Rs. 14,10,00,000 consisting of 1,01,00,000 Equity Shares of Rs.10 each and 40,00,000 cumulative redeemable Preference Shares of	Rs. 17,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs.	March 14, 2016	EGM

Particulars of Change		Date of Shareholder s' Meeting	AGM / EGM
Increased / Reclassified From	Increased / Reclassified To		
Rs. 10 each.	10 each.		
Rs. 17,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs.10 each and 40,00,000 cumulative redeemable Preference Shares of Rs. 10 each.	Rs. 17,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.	April 09, 2016	EGM
Rs. 17,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.	Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 60,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.	January 07, 2017	EGM
Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 60,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.	Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 45,00,000 Convertible Preference Shares of Rs. 10 each.	February 07, 2017	EGM
Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs.10 each and 40,00,000 Cumulative Redeemable Preference Shares of Rs. 10 each and 45,00,000 Convertible Preference Shares of Rs. 10 each.	Rs. 19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs.10 each and 85,00,000 Convertible Preference Shares of Rs. 10 each..	May 25, 2017	EGM
Rs. 19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs.10 each and 85,00,000 Convertible Preference Shares of Rs. 10 each..	Rs. 19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs.10 each.	May 25, 2017	EGM

2. History of Equity Share Capital of our Company

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid -up Capital (Rs.)
On Incorporation (November 13,1995)	80	10	10	Cash	Subscription to MOA ⁽¹⁾	80	800
March 30, 1997	12,77,950	10	10	Cash	Further Allotment ⁽²⁾	12,78,030	1,27,80,300
August 02, 1999	50,000	10	10	Cash	Further Allotment ⁽³⁾	13,28,030	1,32,80,300
March 31,	22,86,390	10	10	Cash	Further Allotment ⁽⁴⁾	36,14,420	3,61,44,200

Date of Allotment/ Fully Paid up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Equity Shares	Cumulative Paid-up Capital (Rs.)
2003							
March 31, 2004	2,59,400	10	10	Cash	Further Allotment ⁽⁵⁾	38,73,820	3,87,38,200
March 31, 2005	1,26,180	10	10	Cash	Further Allotment ⁽⁶⁾	40,00,000	4,00,00,000
November 16, 2006	14,05,406	10	38.42	Cash	Further Allotment ⁽⁷⁾	54,05,406	5,40,54,060
March 30, 2010	24,37,731	10	31.62	Cash	Further Allotment ⁽⁸⁾	78,43,137	7,84,31,370
December 01, 2013	15,00,000	10	10	Other than Cash	Conversion of unsecured loan ⁽⁹⁾	93,43,137	9,34,31,370
May 06, 2015	2,50,000	10	10	Cash	Right Issue ⁽¹⁰⁾	95,93,137	9,59,31,370
May 25, 2017	21,01,424	10	35	Other than Cash	Conversion of Preference Shares ⁽¹¹⁾	1,16,94,561	11,69,45,610

- 1) Initial Subscribers to Memorandum of Association subscribed 80 Equity Shares of face value of Rs. 10/-each fully paid at par as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Chandravadan Shah	10
2	Narendra Shah	10
3	Kalpesh Shah	10
4	Ashvinkumar Mehta	10
5	Sanjay Mankad	10
6	Minakshi Mankad	10
7	Girish Patel	10
8	Bipin Mankad	10
	Total	80

- 2) Further allotment of 12,77,950 Equity Shares of face value of Rs. 10 each fully paid at par as on March 30, 1997 as per the details given below:

Sr. No.	Name of Allottees	No. of shares subscribed
1	Narendra Shah	90,000
2	Narendra Shah HUF	18,000
3	Bindu Shah	1,15,000
4	Preeti Shah	33,000
5	Sheetal Shah	35,000
6	Chandravadan Shah	3,00,000
7	Kalpesh Shah	1,55,000
8	Girish Patel	43,000
9	Vrajesh Patel	43,000
10	Jaimin Patel	20,000
11	Jagatprabha Patel	15,000
12	Trusha Patel	15,800
13	Minakshi Mankad	1,92,900

Sr. No.	Name of Allottees	No. of shares subscribed
14	Nilaben Mankad	20,000
15	Sanjay Mankad	88,300
16	Bipin Mankad	45,200
17	Kashmira Desai	48,750
	Total	12,77,950

- 3) Further allotment of 50,000 Equity Shares of face value of Rs. 10 each fully paid at par as on August 02, 1999 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Girish Patel	15,000
2	Vrajesh Patel	15,000
3	Sheela Patel	10,000
4	Trusha Patel	10,000
	Total	50,000

- 4) Further allotment of 22,86,390 Equity Shares of face value of Rs. 10 each fully paid at par as on March 31, 2003 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Nitin Mankad	2,57,300
2	Minakshi Mankad	25,000
3	Rachit Mankad	95,000
4	Riddhi Mankad	25,000
5	Nilaben Mankad	25,000
6	Sanjay Mankad	1,12,100
7	Vaishali Mankad	30,000
8	Bipin Mankad	1,13,100
9	Bina Mankad	17,500
10	Mukesh Desai	1,21,400
11	Kashmira Desai	5,000
12	Narendra Shah	1,63,000
13	Narendra Shah HUF	1,45,000
14	Bindu Shah	75,000
15	Preeti Shah	28,000
16	Sheetal Shah	29,000
17	Girish Patel	75,000
18	Jaimin Patel	10,000
19	Amrita Patel	10,000
20	Trusha Patel	20,000
21	Jagatprabhaben Patel	10,000
22	Chirahi patel	10,000
23	Chandravadan Shah	3,30,000
24	Kalpesh Shah	1,00,000
25	Echo Consultants Private Limited	54,990
26	Money Market Creators Limited	4,00,000
	Total	22,86,390

- 5) Further allotment of 2,59,400 Equity Shares of face value of Rs. 10 each fully paid at par as on March 31, 2004 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Narendra Shah	1,24,400
2	Chandravadan Shah	70,000
3	Money Market Creators Limited	65,000
	Total	2,59,400

- 6) Further allotment of 1,26,180 Equity Shares of face value of Rs. 10 each fully paid at par as on March 31, 2005 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Bipin Mankad	20,000
2	Nitin Mankad	20,000
3	Kashmira Desai	21,250
4	Mukesh Desai	5,000
5	Sanjay Mankad	21,250
6	Minakshi Mankad	2,500
7	Vaishali Mankad	5,000
8	Bina Mankad, Vaishali Mankad jointly with Minakshi Mankad	31,180
	Total	1,26,180

- 7) Further allotment of 14,05,406 Equity Shares of face value of Rs. 10 each fully paid at a premium of Rs. 28.42 per equity share as on November 16, 2006 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Mukunda Holdings Pte Ltd	14,05,406
	Total	14,05,406

- 8) Further allotment of 24,37,731 Equity Shares of face value of Rs. 10 each fully paid at a premium of Rs. 21.62 per equity share as on March 30, 2010 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Maxim Gold Development Limited	24,37,731
	Total	24,37,731

- 9) Further allotment pursuant to conversion of unsecured loan into equity of 15,00,000 Equity Shares of face value of Rs. 10 each fully paid at par as on December 01, 2013 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Nitin Mankad jointly with Rachit Mankad	2,75,000
2	Nitin Mankad jointly with sanjay Mankad	94,000
3	Nitin Mankad jointly with Drashti Mankad	16,000
4	Nitin Mankad jointly with Bipin Mankad	82,500
5	Nitin Mankad jointly with Mukesh Desai	56,300
6	Nitin Mankad jointly with Nihar Desai	26,200
7	Nitin Mankad jointly with Girish Patel	55,900
8	Narendra Shah jointly with Bindu Shah	2,47,700
9	Narendra Shah HUF	63,700
10	Narendra Shah jointly with Preeti Shah	42,400
11	Sharmistha Shah jointly with Rajesh Shah	2,96,400
12	Yatish Shah jointly with Yesha Shah	2,43,900
	Total	15,00,000

10) Right issue of 2,50,000 Equity Shares of face value of Rs. 10 each fully paid at par as on May 06, 2015 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Bipin Mankad	50,000
2	Mukesh Desai	50,000
3	Nitin Mankad	50,000
4	Sanjay Mankad	50,000
5	Pradeep Kothari	50,000
	Total	2,50,000

11) Further allotment of 21,01,424 Equity Shares (Pursuant to conversion of Preference Shares) of face value of Rs. 10 each fully paid at a premium of Rs. 35 per equity share as on May 25, 2017 as per the details given below:

Sr. No.	Name of Allottees	No. of shares Allotted
1	Pradeep Kothari	6,28,542
2	Goldmine Stocks Private Limited	1,42,857
3	Kirit Vassa	3,14,285
4	Mayur Sanghvi	4,62,885
5	Ashok Sodha	37,142
6	Mukesh Desai	3,72,857
7	Manthan Kothari	71,428
8	Rajeshree Kothari	71,428
	Total	21,01,424

3. History of Preference Share Capital of Our Company

Date of Allotment / Fully Paid up	No. of Preference shares allotted	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative no. of Preference Shares	Cumulative Paid-up Capital (Rs.)
May 06, 2015	35,00,000	10	10	Cash	Right issue ⁽¹⁾	35,00,000	3,50,00,000
May 05, 2016	22,80,000	10	10	Cash	Private Placement ⁽²⁾	57,80,000	5,78,00,000
December 10, 2016	5,00,000	10	10	Cash	Right Issue ⁽³⁾	62,80,000	6,28,00,000
March 20, 2017	10,75,000	10	10	Cash	Right Issue ⁽⁴⁾	73,55,000	7,35,50,000

1) Right Issue of 35,00,000 Cumulative Redeemable Preference Shares of face value of Rs. 10 each fully paid at par as on May 06, 2015 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Pradeep Kothari	30,00,000
2	Goldmines Stocks Private Limited	5,00,000
	Total	35,00,000

- 2) Further allotment of 22,80,000 convertible Redeemable Preference Shares of face value of Rs. 10 each fully paid at par as on May 05, 2016 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Mukesh Desai	2,30,000
2	Kirit vassa	11,00,000
3	Pradeep Kothari	4,50,000
4	Rajeshree Kothari	2,50,000
5	Manthan Kothari	2,50,000
	Total	22,80,000

- 3) Right Issue of 5,00,000 Cumulative Redeemable Preference Shares of face value of Rs. 10 each fully paid at par as on December 10, 2016 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Mukesh Desai	5,00,000
	Total	5,00,000

- 4) Right Issue of 10,75,000 Convertible Redeemable Preference Shares of face value of Rs. 10 each fully paid at par as on March 20, 2017 as per the details given below:

Sr. No.	Name of Allottee	No. of shares Allotted
1	Mukesh Desai	5,75,000
2	Pradeep Kothari	5,00,000
	Total	10,75,000

Note:- As on the date of this Draft Red Herring Prospectus all the preference shares are converted into equity.

4. We have not issued any Equity Shares for consideration other than cash except as follows:

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
December 01, 2013	15,00,000	10	10	Conversion of unsecured loan into Equity	Debit is converted into Equity	Nitin Mankad jointly with Rachit Mankad	2,75,000
						Nitin Mankad jointly with sanjay Mankad	94,000
						Nitin Mankad jointly with Drashti Mankad	16,000
						Nitin Mankad jointly with Bipin Mankad	82,500
						Nitin Mankad jointly with Mukesh Desai	56,300
						Nitin Mankad jointly with Nihar Desai	26,200
						Nitin Mankad jointly with Girish Patel	55,900
						Narendra Shah jointly with Bindu Shah	2,47,700
						Narendra Shah HUF	63,700
						Narendra Shah jointly with Preeti Shah	42,400
						Sharmistha Shah jointly with Rajesh Shah	2,96,400

Date of Allotment/ Fully paid-up	No. of Equity Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Benefits accrued to our Company	Allottees	No. of Shares allotted
						Yatish Shah jointly with Yesha Shah	2,43,900
May 25, 2017	21,01,424	10	35	Conversion of Preference shares into equity share capital	Preference capital is converted into fixed capital	Pradeep Kothari	6,28,542
						Goldmine Stocks Private Limited	1,42,857
						Kirit Vassa	3,14,285
						Mayur Sanghvi	4,62,885
						Ashok Sodha	37,142
						Mukesh Desai	3,72,857
						Manthan Kothari	71,428
						Rajeshree Kothari	71,428
						Total	21,01,424

5. No Equity Shares have been allotted pursuant to any scheme approved under Section 230-240 of the Companies Act, 2013.
6. Our Company has revalued its assets in March 2017 but has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
7. Except as mentioned below, no shares have been issued at price below Issue Price within last one year from the date of this Draft Red Herring Prospectus:-

Date of Allotment/ Fully paid-up	No. of Equity Shares / Preference Shares allotted	Face value (Rs.)	Issue Price (Rs.)	Reasons for allotment	Allottees	No. of Shares allotted
December 10, 2016	5,00,000	10	10	Allotment of Preference Shares	Mukesh Desai	5,00,000
March 20, 2017	10,75,000	10	10	Allotment of Preference Shares	Mukesh Desai	5,75,000
					Pradeep Kothari	5,00,000

8. Build-up of Promoters' shareholding, Promoters' contribution and lock-in

i. Build Up of Promoter's shareholdings

As on the date of this Draft Red Herring Prospectus, our Promoter Mukesh Desai and Pradeep Kothari together holds 41,04,943 Equity Shares of our Company out of which 15,99,220 Equity shares held by our Promoters are pledged.

1) Mukesh Desai

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
March 31, 2003	1,01,400	10	10	Further Allotment	0.87%	[●]%	Yes
	20,000				0.17%	[●]%	Yes
March 31, 2005	5,000	10	10	Further Allotment	0.04%	[●]%	Yes
May 06, 2015	50,000	10	10	Right Issue	0.43%	[●]%	No
May 25, 2017	3,72,857	10	35	Conversion of Preference Shares	3.19%	[●]%	No
June 08, 2017	60,010	10	10	Share Transfer	0.51%	[●]%	No
Total	6,09,267				5.21%	[●]%	

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

2) Pradeep Kothari

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
June 14, 2014	1,03,020	10	38	Share Transfer	0.88%	[●]%	Yes
June 14, 2014	6,53,600	10	10	Share Transfer	5.59%	[●]%	Yes
May 06, 2015	50,000	10	10	Right issue	0.43 %	[●]%	No
June 19, 2015	7,24,400	10	38	Share Transfer	6.19 %	[●]%	Yes
December 10, 2016	5,000	10	38	Share Transfer	0.04%	[●]%	No
December 10, 2016	2,500	10	10	Share Transfer	0.02%	[●]%	No
December 10, 2016	11,800	10	10	Share Transfer	0.10%	[●]%	Yes
December 10, 2016	2,11,408	10	10	Share Transfer	1.81%	[●]%	No
December 10, 2016	9,83,137	10	35.78	Share Transfer	8.41%	[●]%	No
December 26, 2016	1,22,269	10	35.78	Share Transfer	1.05%	[●]%	No
May 25, 2017	6,28,542	10	35	Conversion of Preference Shares	5.37%	[●]%	No

Date of Allotment / Transfer / when made fully paid up	No. of Equity Shares	Face value per Share (Rs.)	Issue / Acquisition / Transfer price (Rs.)*	Nature of Transactions	Pre-issue shareholding %	Post- issue shareholding %	Pledge
Total	34,95,676				29.89%	[●]%	

*Cost of acquisition excludes Stamp Duty and the shares were made fully paid on the date of allotment

Note:- Joint holding shareholders are not consider for the purpose of considering promoters holding

ii. Details of Promoter's Contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI ICDR Regulations, an aggregate of 20% of the post-Issue capital held by our Promoter shall be considered as Promoter's Contribution ("Promoters Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

Our Promoters have given written consent to include such number of Equity Shares held by them and subscribed by them as a part of Promoters' Contribution constituting [●] % of the post issue Equity Shares of our Company and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ made fully paid up	No. of Shares Allotted/ Transferred	Face Value	Issue Price	Nature of Allotment	% of Post Issue shareholding	Lock in Period
Mukesh Desai						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Pradeep Kothari						
[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]

In compliance of Regulation 33 (1) (b) (ii) of the SEBI (ICDR) Regulations, 2009, our promoters have agreed to bring into the escrow amount with a schedule commercial bank, difference between Issue Price and the price at which such Equity shares have been acquired by the Promoters, which is aggregating Rs. [●] Lakhs at least, one day prior to opening of the Issue.

The Minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI (ICDR) Regulations. The Equity Shares that are being locked in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of the SEBI ICDR Regulations. In connection, we confirm the following:

- The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- The minimum Promoters' contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price;
- No equity shares have been issued to our promoter upon conversion of a partnership firm during the preceding one year at a price less than the issue price.
- The Equity Shares held by the Promoter and offered for minimum Promoters' contribution are pledge;
- All the Equity Shares of our Company held by the Promoters are in the process of being dematerialized; and
- The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the Promoter's contribution subject to lock-in.

iii. Details of Share Capital locked in for one year

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue Equity Share capital of our Company shall be locked-in for a period of one year from the date of allotment in the Public Issue.

iv. Other requirements in respect of lock-in:

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Further, pursuant to Regulation 40 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI (ICDR) Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI (ICDR) Regulations has ended, subject to compliance with the Takeover Code, as applicable.

We further confirm that our Promoters' Contribution of [●]% of the post Issue Equity Share capital does not include any contribution from Alternative Investment Fund.

- 3) Except as mentioned below, there were no shares purchased/sold by the Promoter and Promoter Group, directors and their immediate relatives during last six months.

Date of Transfer	Name of the Transferee/ Transferor	Party Category	No. of Shares Allotted/ Transferred	Face Value	Transfer /Issue Price	Nature of Allotment
May 25, 2017	Mukesh Desai	Promoter	3,72,857	10	35	Conversion of Preference Share
May 25, 2017	Pradeep Kothari	Promoter	6,28,542	10	35	Conversion of Preference Share
May 25, 2017	Rajeshree Kothari	Promoter group	71,428	10	35	Conversion of Preference Share
May 25, 2017	Manthan Kothari	Promoter group	71,428	10	35	Conversion of Preference Share
June 08, 2017	Mukesh Desai	Promoter	60,010	10	10	Share Transfer
July 10, 2017	Riddhi Mankad	Immediate relative of Nitin Mankad	25,000	10	-	Gift Deed
July 10, 2017	Neela Mankad	Immediate relative of Nitin Mankad	45,000	10	-	Transmission
July 10, 2017	Nitin Mankad	Whole Time Director	70000	10	-	Acquired through transmission and gift

4) Our Shareholding Pattern

The table below presents the shareholding pattern of our Company as per Regulation 31, of the SEBI Listing Regulations, 2015

i. Summary of Shareholding Pattern as on the date of this Draft Red Herring Prospectus:-

Category	Category of Shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form**
								No of Voting Rights	Total as a % of (A+B+C)			No. of Locked in shares (a)	As a % of total Shares held (b)	No. of Shares pledged or otherwise encumbered (a)	As a % of total Shares held (b)	
I	II	III	IV	V	VI	VII = IV + V + VI	VIII	IX		X	XI = VII + X	XII		XIII		XIV
A	Promoter and Promoter Group	6	43,75,809	-	-	43,75,809	37.42	43,75,809	37.42	-	37.42	-	-	-	-	[•]
B	Public	16	73,18,752	-	-	73,18,752	62.58	73,18,752	62.58	-	62.58	-	-	-	-	[•]
C	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	22	1,16,94,561	-	-	1,16,94,561	100.00	1,16,94,561	100.00	-	100.00	-	-	-	-	[•]

**As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.*

***All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to Listing of Shares on EMERGE Platform of National Stock Exchange of India Limited*

Note: PAN of shareholders will be provided to the Stock Exchange by our Company prior to listing of its Equity Shares on the Stock Exchange.

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity shares. The Shareholding pattern will be uploaded on the website of National Stock Exchange of India Limited before commencement of trading of such Equity Shares.

*** In terms of SEBI Listing Regulations, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialised prior to listing of Equity shares.

5) The details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category Promoter and Promoter Group are as under:

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
	Promoter				
1.	Mukesh Desai	6,09,267	5.21	[●]	[●]
2.	Pradeep Kothari	34,95,676	29.89	[●]	[●]
	Sub total (A)	41,04,943	35.10	[●]	[●]
	Promoter Group				
3.	Kashmira Desai	75,000	0.64	[●]	[●]
4.	Rajeshree Kothari	1,14,428	0.98	[●]	[●]
5.	Manthan Kothari	71,438	0.61	[●]	[●]
6.	Harsh Kothari	10,000	0.09	[●]	[●]
	Sub total (B)	2,70,866	2.32	[●]	[●]
	Total (A+B)	43,75,809	37.42	[●]	[●]

11. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mukesh Desai	6,09,267	25.30
Pradeep Kothari	34,95,676	29.29

12. Except as mentioned below, no persons belonging to the category “Public” who holds securities (including shares, warrants, convertible securities) of more than 1% of the total number of shares.

Sr. No.	Name of the Shareholder	Pre – Issue		Post – Issue	
		No. of Equity Shares	% of Pre-Issue Capital	No. of Equity Shares	% of Post-Issue Capital
(I)	(II)	(III)	(IV)	(V)	(VI)
1.	Kirit Vassa	19,32,608	16.53	[●]	[●]
2.	Maxim Gold Development Limited	16,37,731	14.00	[●]	[●]
3.	Goldmine Stocks Private Limited	10,99,647	9.40	[●]	[●]
4.	Sharmishtha Shah jointly with Rajesh Shah	8,33,887	7.13	[●]	[●]
5.	Mayur Sanghvi	4,62,885	3.96	[●]	[●]
6.	Nitinbhai Mankad	3,47,300	2.97		
7.	AAPT Distribution Private Limited	2,81,792	2.41	[●]	[●]
8.	Minakshi Mankad	2,36,000	2.02	[●]	[●]
9.	Sanjay Mankad	2,21,660	1.90	[●]	[●]
	Total	70,53,510	60.32	[●]	[●]

13. The lists of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of filing, ten days before the date of filing and two years before the date of filing of this Draft Red Herring Prospectus are set forth below:

- a) Particulars of the top ten shareholders as on the date of filing this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pradeep Kothari	34,95,676	29.89
2.	Kirit Vassa	19,32,608	16.53
3.	Maxim Gold Development Limited	16,37,731	14.00
4.	Goldmine Stocks Private Limited	10,99,647	9.40
5.	Sharmishtha Shah jointly with Rajesh Shah	8,33,887	7.13
6.	Mukesh Desai	6,09,267	5.21
7.	Mayur Sanghvi	4,62,885	3.96
8.	Nitinbhai Mankad	3,47,300	2.97
9.	AAPT Distribution Private Limited	2,81,792	2.41
10.	Minakshi Mankad	2,36,000	2.02
	Total	1,09,36,793	93.52

- b) Particulars of the top ten shareholders as at ten days prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Pradeep Kothari	34,95,676	29.89
2.	Kirit Vassa	19,32,608	16.53
3.	Maxim Gold Development Limited	16,37,731	14.00
4.	Goldmine Stocks Private Limited	10,99,647	9.40
5.	Sharmishtha Shah jointly with Rajesh Shah	8,33,887	7.13
6.	Mukesh Desai	6,09,267	5.21
7.	Mayur Sanghvi	4,62,885	3.96
8.	Nitin Mankad	3,47,300	2.97
9.	AAPT Distribution Private Limited	2,81,792	2.41
10.	Minakshi Mankad	2,36,000	2.02
	Total	1,09,36,793	93.52

- c) Particulars of the top ten shareholders two years prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total Paid-Up Capital
1.	Maxim Gold Development Limited	3,843,137	41.13
2.	Pradeep Kothari	14,81,020	15.85
3.	Sharmistha C Shah and Rajesh C Shah	9,96,410	10.66
4.	Goldmine Stocks P Ltd	956,790	10.24
5.	Nitin Mankad	2,77,300	2.97
6.	Nitin J Mankad and Rachit N Mankad	2,75,000	2.94
7.	Sanjay Mankad	2,21,660	2.37
8.	Minakshi Mankad	2,20,410	2.36
9.	Bipin Mankad	1,78,310	1.91
10.	Mukesh Desai	1,26,400	1.35
	Total	85,76,437	91.78

14. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when,

options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.

15. Neither the Book Running Lead Manager viz. Pantomath Capital Advisors Private Limited, nor their associates hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.
16. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the EMERGE Platform of National Stock Exchange of India Limited.
17. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
18. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
19. [●] Equity Shares have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid Amount by each Eligible Employee not exceeding Rs. 5,00,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed Rs. 200,000 (which will be less Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of Rs. 200,000, subject to the total Allotment to an Eligible Employee not exceeding Rs. 500,000 (which will be less Employee Discount). Only Eligible Employees are eligible to apply in this Issue under the Employee Reservation Portion. Bids by Eligible Employees bidding under the Employee Reservation Portion may also be made in the Net Issue and such Bids will not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at the Issue Price, allocation will be made on a proportionate basis.
20. There are no Equity Shares against which depository receipts have been issued.
21. Other than the Equity Shares, there is no other class of securities issued by our Company.
22. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the Issue, by way of split / consolidation of the denomination of Equity Shares. However our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
23. None of the persons/entities comprising our Promoter Group, or our Directors or 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 any such entity/individual or otherwise during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
24. Our Company, our Promoters, our Directors and the Book Running Lead Manager have not entered into any buy back or standby or similar arrangements for the purchase of Equity Shares being offered through the Issue from any person.
25. There are no safety net arrangements for this public issue.
26. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest multiple of minimum allotment lot, while finalizing the Basis of Allotment.

Consequently, the actual Allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital after the Issue would also increase by the excess amount of Allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased; so as to ensure that a minimum of 20% of the post Issue paid-up capital is locked in.

27. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, as amended from time to time.
28. As on date of this Draft Red Herring Prospectus there are no outstanding warrants, options or rights to convert debentures loans or other financial instruments into our Equity Shares.
29. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire issue price in respect of the Issue is payable on application, all the successful applicants will be issued fully paid-up equity shares and thus all shares offered through this issue shall be fully paid-up.
30. As per RBI regulations, OCBs are not allowed to participate in this Issue.
31. Our Company has not raised any bridge loans against the proceeds of the Issue.
32. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
33. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
34. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
35. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue other than to the Eligible Employees who shall be eligible for Employee Discount.
36. Our Company has 22 shareholders as on the date of filing of this Draft Red Herring Prospectus.
37. Our Promoters and the members of our Promoter Group will not participate in this Issue.
38. Our Company has not made any public issue since its incorporation.
39. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
40. For the details of transactions by our Company with our Promoter Group, Group Companies during the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, please refer to paragraph titled "Details of Related Parties Transactions as Restated" in the chapter titled *"Financial Statements as restated"* on page 217 of this Draft Red Herring Prospectus.
41. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled "Our Management" beginning on page 194 of this Draft Red Herring Prospectus.

OBJECT OF THE ISSUE

Requirement of Funds:

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be [●] lakhs (the “Net Proceeds”).

We intend to utilize the net proceeds from Issue towards the following objects:

1. Expansion of existing facility
2. Long term working capital requirement
3. General Corporate Purposes

Also, we believe that the listing of Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India.

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

ISSUE PROCEEDS

Particulars	Amount (Rs. in lakhs)* ⁽¹⁾
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
Net Proceeds	[●]

(1) To be finalised on determination of Issue Price

**As on the date of Draft Red Herring Prospectus, our Company has incurred Rs. [●] lakhs towards Issue expenses.*

UTILIZATION OF NET PROCEEDS

The net proceeds are proposed to be used in manner as set out below:

Sr. No.	Particulars	Amount to be financed from Net Proceeds of the Issue (Rs. in lakhs) ⁽¹⁾	Percentage of Gross Proceeds	Percentage of Net Proceeds
1.	Expansion of existing facility	1,700.00	[●]	[●]
2.	Long term working capital Requirements	400.00	[●]	[●]
3.	General Corporate Purposes	[●]	[●]	[●]

(1) To be finalised on determination of Issue Price

Schedule of Implementation and Deployment of Funds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the objects of the Issue.

(In lakhs)

Sr. No	Particulars	Amount to be funded from the Net Proceeds	Estimated Utilization of Net Proceeds (Financial Year 2017-2018) ⁽¹⁾	Estimated Utilization of Net Proceeds (Financial Year 2018-2019) ⁽¹⁾
1.	Expansion of existing facility	1,700.00	1,700.00	-
2.	Long Term working capital requirements	400.00	-	400.00
3.	General Corporate Purpose	[●]	[●]	[●]

⁽¹⁾To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

MEANS OF FINANCE

(Amount Rs. in Lakhs)

Particulars	Total estimated cost	Amount already Deployed	Amount proposed to be financed from IPO Proceeds	Funds required excluding funding from Net Proceeds	75% of funds required excluding the net proceeds	Funds from Term loans sanctioned by bank	Internal Accruals
Expansion of existing facility	2,100	-	1,700	400	300	400*	-
Long term Working Capital requirements	400	-	400	400	-	-	-
General Corporate Purpose	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*Our Company has obtain sanction letter dated August 30, 2017 from State Bank of India for term loan of Rs. 400.00 lakh for funding the balance requirement of expansion and to meet the balance requirements for our proposed objects of the issue.

Note: Any increase in the cost of project or shortfall in the funding would be financed through internal accruals.

Accordingly we confirm that we shall comply with requirement to make firm arrangements of finance through verifiable means towards atleast 75% of the stated means of finance, excluding the amount to be raised from the net proceeds and existing identifiable internal accruals before filing of Red Herring Prospectus with Registrar of Companies.

The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution or any other external agency. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations. The actual costs would depend upon the negotiated prices with the suppliers/contractors and may vary from the above estimates. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, our Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

1. Expansion of existing facility

We currently have manufacturing facilities estimated at Vadodara of which we manufacture tyres at unit I & tubes at unit II. We have a land admeasuring 27,833 sq. meter at unit I and 11,200 sq. meter at unit II, out of which land admeasuring 5,420 sq meter at Unit I is available for expansion and our company is planning to utilised 3,000 sq. meter for expansion of existing facility. We intend to utilise the unutilised portion for expansion of our company facility for manufacturing. We propose to utilise Rs. 1700 lakhs out of the Net Proceeds and balance from bank borrowings and/or internal accruals towards expansion of existing facility for manufacturing of OTR, Radial Agricultural Tyres & Tubes.

Estimated cost for expansion of existing facility:-

The estimated cost of expansion of existing facility is estimated to be Rs. 2,100 lakhs. The total cost for setting up of such facility has been estimated by our company management in accordance with our business plan approved by our Board of Directors Pursuant to its meeting dated July 10, 2017 and quotation received from third party suppliers.

Further our Management, in accordance with the policies setup by the Board, will have flexibility in deploying the Net Proceeds of the Issue.

The detailed breakdown of such estimated cost is set forth below:-

(Amount Rs. in Lakhs)

Particulars	Plant and Machinery	Buildings	Equipments for development and R&D Center	Transport, Packing, Contingencies and other costs	Total
Expansion of existing facility	1306.50	326.22	266.31	200.97	2,100.00

PROJECT IMPLEMENTATION SCHEDULE:

Particulars	Period	
	Commencement date	Estimated Completion date
Land acquisition	Already acquired i.e. Lease hold property (existing land)	
Commencement of Construction of Building	October 2017	February 2018
Date of placing order for plant and machinery	October 2017	November 2017
Installation of Machinery	December 2017	March 2018
Date of trial run	April 2018	May 2018
Date of Commercial operation	June 2018	

a. Plant & machineries

The Company has received quotation for plant and machinery for the expansion project. The projected Cost of Machinery is Rs. 1306.50 lakhs as per the quotation from various parties. The list of Plant and Machineries to be acquired by the company is as under:-

Sr. No.	Particulars	Qty	Amount (Rs. In Lakhs)	Suppliers	Quotation Date
1.	Radial Tyre curing press with Auto chuck loaders	2	38.68	Mid American Machine & Equipment, LLC	June 29, 2017
2.	BOM Type Large OTR presses	3	96.71	Mid American Machine & Equipment, LLC	June 29, 2017
3.	Forklift and Other Handling equipment	1	7.35	SSR Enterprises	June 12, 2017
4.	Fork Lift	2	14.70	SSR Enterprises	June 12, 2017
5.	Fabricated Bins	200	10.00	Jignesh Engineering	June 03, 2017
6.	Band Building machine with eight station suitable for OTR, Large size tyres upto 38" sizes	1	15.00	Jignesh Engineering	June 03, 2017
7.	Band Trolleys	20	2.00	Jignesh Engineering	June 03, 2017
8.	Leaf trucks	10	9.00	J K Engineering Works	July 01, 2017
9.	Material Transfer Lift	2	10.00	Hem Marketing Services	May 30, 2017
10.	New Batch of unit	1	15.00	Hem Marketing Services	May 30, 2017
11.	Sandwith Lift	1	5.00	Hem Marketing Services	May 30, 2017
12.	Modifying existing Extrusion Line for precision cooling	1	10.00	Hem Marketing Services	May 30, 2017
13.	Final Mixing Banbury Ferrel Make	1	100.00	Mahalaxmi Engineers	July 14, 2017
14.	Parker make 1000KW VFD Panel suitable for 270ltr Mixer along with PLC based operator panel	1	40.00	Monk Automation Private Limited	June 01, 2017
15.	Schneider PLC & Parker VFD based control panel suitable for extruder and strip winder	1	40.00	Monk Automation Private Limited	June 01, 2017
16.	Schneider PLC & Parker VFD Based control panel suitable for bead winding	1	10.00	Monk Automation Private Limited	June 01, 2017
17.	Schneider PLC & Parker VFD based control panel suitable for	1	5.00	Monk Automation Private Limited	June 01, 2017

Sr. No.	Particulars	Qty	Amount (Rs. In Lakhs)	Suppliers	Quotation Date
	Band winding				
18.	Schneider PLC & Parker VFD based control panel suitable for Tyre building	2	10.00	Monk Automation Private Limited	June 01, 2017
19.	Schneider PLC Based control panel suitable for tyre curing press along with instrumentation	2	30.00	Monk Automation Private Limited	June 01, 2017
20.	Strip winding systems for radial AGR/OTR Tire Tread	1	140.71	Beijing Pelmar BCE Trading Co. Limited	June 26, 2017
21.	Steam Boiler with complete system, APH, back filter MDC and complete control system	1	110.00	Hi-Tech Boilers Private Limited	May 25, 2017
22.	Agriculture tyre building drum and spares	1	30.00	Anil Engineering Works	June 17, 2017
23.	Pneumatic Screw Compressor	2	20.00	Om Compressor Service	June 01, 2017
24.	Low table bias cutter with self aligning splice tables	1	25.00	Lexus Engineering	May 14, 2017
25.	All well design 14 station direct spool mounted bead winding machine	1	40.00	Lexus Engineering	May 14, 2017
26.	Agricultural Radial Tyre Building machine	1	125.00	Lexus Engineering	June 15, 2017
27.	RBS-Tyre OTR Semi Automatic Tyre building machine	2	15.00	J K Engineering Works	July 05, 2017
28.	Bead Filling and Flipping combine machine	3	6.00	J K Engineering Works	July 05, 2017
29.	Sumo Lifter Pallet Truck model: IE 2500	6	1.50	Innovative Engi Impex Private Limited	August 7, 2017
30.	Unloading, Shifting, Installing at the foundation, erection and commissioning re-furbished consist of following for the various machines and equipments. Complete package including arrangement and charges of crane/hydra, Transfer trucks, winches, chain blocks	-	50.00	Mahalaxmi Engineers	July 14, 2017
31.	Tyre moulds (31/15.5-15, 12.5 L-15, 15-19.5, 18.04-38, 15.5-38, 11.2-38, 14.09-24, 9.5-20)	8	62.00	Oriental Moulds & Machineries	June 23, 2017
32.	Tube moulds	17	73.29	Oriental Moulds & Machineries	June 23, 2017
33.	Bladder Mould	5	39.97	Ray Machinery & Technology Co. Ltd.	June 20, 2017
34.	Tube & Flap Moulds	24	99.59	Ray Machinery & Technology Co. Ltd.	June 20, 2017
	Total		1306.50		

Note:- Total amount of quotation mentioned above has been converted from US \$ to INR in case of imported machineries as per the conversion rate as on May 26, 2017, June 20, 2017 and June 29, 2017

The exchange rates of the respective foreign currencies are provided below:-

Currency	Date	INR
1 US \$	May 26, 2017	64.5945
	June 20, 2017	64.4672
	June 29, 2017	64.4715

b. Construction of Building

Cost of construction for expansion of manufacturing facility has been projected at Rs. 326.22 lakhs. The said cost includes civil work for construction of an additional shed for utility, for production facility and development center. The total area to be constructed is about 3000 Sq. Meter. List of quotation received is as follows:-

Sr. No.	Particulars	Amount (Rs. In Lakhs)	Suppliers	Quotation Date
1.	Fabrication and Erection	114.21	Ajay A Talukdar	May 23, 2017
2.	Civil contractor	162.01	Marutinandan	May 27, 2017
3.	Entire Electrical installation work at site for expansion project and R&D centre building	50.00	BS Electricals	June 14, 2017
	Total	326.22		

c. Equipments for Development and R&D center

The Development center is meant for the re-engineering, new compound/ recipe development, new/alternate material development, testing of all rubber and their chemical composition, Product designing of tyre with the help of Auto Cad ADAM or modelling, Tyre simulation study, Finite element analysis, process testing, process development with corrective study of mixing and Curing. The projected cost for equipments for Development and R&D center is Rs. 266.31 lakhs. These all aspects are in line with meeting international test requirements like DOT and other global quality testing. The list of equipments for Research and development is as follows:-

Sr. No.	Particulars	Quantity	Amount (Rs. In Lakhs)	Suppliers	Quotation Date
1.	Dispersion Analyser	1	0.95	Micro Vision Enterprises	July 17, 2017
2.	Bag Filling Machine	1	4.90	Ark Sales & Services	June 16, 2017
3.	Auto Clave	2	14.00	Hi-Tech Boilers Pvt. Ltd.	June 25, 2017
4.	Schneider PLC, Sick make laser Based control panel suitable for Tyre Dimesion measurement	1	6.00	Monk Automation Pvt. Ltd.	June 01, 2017
5.	Schneider PLC, Sick make laser Based control panel suitable for Tyre endurancetesting machine	1	10.00	Monk Automation Pvt. Ltd.	June 01, 2017
6.	Oscillating Disc Rheometer	1	20.05	Micro Vision Enterprises	July 11, 2017
7.	Mooney Viscometer	1	5.05	Micro Vision Enterprises	July 11, 2017
8.	High Speed Stirrer	1	0.50	Ark Sales & Services	June 30, 2017
9.	Magnetic Stirrer	1	0.50	Ark Sales & Services	June 30, 2017
10.	Electron Microscope HF-3300 with additional camera	1	1.00	Ark Sales & Services	June 30, 2017
11.	All well tyre Taiwan Design Tyre run out Testing machine	1	25.00	Lexus Machine Limited	May 17, 2017
12.	Baby Extruder	1	10.00	Lexus Machine Limited	May 17, 2017
13.	Endurance Testing Machine	1	25.00	Hi Tech Machines	June 14, 2017
14.	Spectro Meter	1	40.00	Mahalaxmi Engineers	June 15, 2017
15.	Electron Microscope	1	30.00	Mahalaxmi Engineers	June 15, 2017
16.	Additional Camera	1	0.50	Mahalaxmi Engineers	June 15, 2017
17.	POP work, Glass cabin, AC unit fitting, Painting etc.	1	50.00	Marutinandan	July 14, 2017
18.	Digital Weighing scales	1	0.50	Ark Sales & Services	July 14, 2017
19.	Light Accelerated Weighing tester	1	8.78	Presto Stantest Private Ltd	July 8, 2017
20.	Ozone Chamber	1	5.28	Presto Stantest Private Ltd	July 8, 2017
21.	Flex Tester	1	0.99	Presto Stantest Private Ltd	July 8, 2017
22.	Carbon Black Dispersion Test Appartus	1	0.87	Presto Stantest Private Ltd	July 8, 2017
23.	DIN Abrasion tester	1	0.79	Presto Stantest Private Ltd	July 8, 2017
24.	Die for Din Abrasion tester	1	0.05	Presto Stantest Private Ltd	July 8, 2017
25.	Muffle Furnace	1	0.49	Presto Stantest Private Ltd	July 8, 2017
26.	Specific Gravity balance digital	1	0.39	Presto Stantest Private Ltd	July 8, 2017

Sr. No.	Particulars	Quantity	Amount (Rs. In Lakhs)	Suppliers	Quotation Date
	model				
27.	Hot Air Oven	1	0.37	Presto Stantest Private Ltd	July 8, 2017
28.	Digital preset timer	1	0.06	Presto Stantest Private Ltd	July 8, 2017
29.	Rebound Resilience Tester	1	0.29	Presto Stantest Private Ltd	July 8, 2017
30.	Laboratory Mixing mill size 6 ¹¹ x12 ¹¹	1	1.00	J. K Engineering Works	July 05, 2017
31.	Lab curing Press 20 ¹¹	1	3.00	J. K Engineering Works	July 05, 2017
	Total		266.31		

Note:- Out of the above machineries to be purchased the following machines shall be purchased second hand:-

Name of the Machines	Quantity	Approx. Age of Machine	Approx. Residual life of machines
Radial Tyre curing press with Auto chuck loaders	2	15	10
BOM Type Large OTR presses	3	15	10
Strip winding systems for radial AGR/OTR Tire Tread	1	15	10

d. Contingency

We have created a provision for contingency of Rs. 200.97 Lakhs to cover incidental expenses for transportation, import duty, customs, clearing and forwarding charges, freight, related taxes, levies and other duties, as applicable, and any increase in the estimated cost of expansion of existing facility.

Some of the machineries to be purchased shall be imported which may be second-hand in nature.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery and material at facility proposed to expand, according to the business requirements of such facility, which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

2. Long Term working capital requirements

Our business is working capital intensive. We finance our working capital requirements from internal accruals and other sources.

As on March 31, 2016 and March 31, 2017 our Company's net working capital consisted of Rs. 1446.84 Lakhs and 2476.97 Lakhs respectively, based on the restated financial statements.

The total working capital requirement for the year 2017-18 and 2018-19 is expected to be Rs. 3,353.55 Lakhs and Rs. 4,370.58 Lakhs respectively. The incremental working capital requirement for the year ending March 31, 2018 will be Rs. 876.58 lakhs and for March 31, 2019 will be Rs. 1017.03 Lakhs, which will be met through the Net Proceeds to the extent of Rs. 400.00 lakhs collectively, and the balance portion will be met through internal accruals.

Basis of estimation of working capital requirement

The details of our Company's working capital requirement and funding of the same based on the restated standalone financial statements as at March 31, 2016 and March 31, 2017 are as set out in the table below:

Amount (Rs. In Lakhs)

Particulars	As on March 31	
	2016	2017
Current Assets		
Inventories	2,097.45	3,064.14
Raw material	388.00	270.00
Work in Progress	976.00	1,642.00
Finished goods/ Stock-in-trade	615.00	973.00
Other Consumables Stores	118.00	179.00
Trade Receivables	1,568.97	1,434.69
Cash and Bank Balance (including deposits)	387.10	427.19
Short term loans & advances	53.31	105.98
Other current assets	991.22	705.58
Total (A)	5,098.05	5,737.58

Current Liabilities		
Trade Payables	2,956.59	2,511.59
Other Current Liabilities	542.36	512.90
Short term provisions	152.26	236.12
Total (B)	3,651.21	3,260.61
Net Working Capital (A)-(B)	1,446.84	2,476.97
Existing Funding Pattern		
Borrowings from Bank / Others	1,446.84	1,573.97
Internal Accruals	-	903.00

The details of our Company's expected working capital requirement as at March 31, 2018 and March 31, 2019 is set out in the table below:

Amount (Rs. In Lakhs)

Particulars	2017-18 (Estimated)	2018-19 (Estimated)
Current Assets		
Inventories		
Raw material	613.00	824.00
Work in Progress	1,192.00	1,400.00
Finished goods/Stock-in-trade	1,102.00	1,220.00
Other Consumables Stores	300.00	320.00
Trade Receivables	1,773.00	2,403.00
Cash and Bank Balance (including deposits)	450.00	460.00
Short term loans & advances	251.96	288.96
Other current assets	1,126.74	1,217.97
Total (A)	6,808.70	8,133.93
Current Liabilities		
Trade Payables	2,678.00	2,636.00
Other Current Liabilities	523.86	602.96
Short term Provisions	253.29	524.39
Total (B)	3,455.15	3,763.35
Net Working Capital (A)-(B)	3,353.55	4,370.58
Issue Proceeds	-	400.00
Internal Accruals	1,853.55	2,470.58
Bank Borrowings	1,500.00	1,500.00
Total Source	3,353.55	4,370.58

Assumption for working capital requirements

Assumptions for Holding Levels*

(In months)

Particulars	Holding Level as of March 31, 2016	Holding Level as of March 31, 2017	Holding Level as of March 31, 2018 (Estimated)	Holding Level as of March 31, 2019 (Estimated)
Current Assets				
Inventories				
Raw material	0.68	0.38	0.92	0.92
Work in Progress	1.07	1.61	1.10	1.05
Finished Goods	0.65	0.98	1.02	0.92
Trade Receivables	1.37	1.23	1.30	1.31
Current Liabilities				
Trade Payables	5.25	3.54	3.87	2.92

Our Company proposes to utilize Rs. 400.00 lakhs of Net Proceeds towards working capital requirements.

The incremental working capital requirements are based on historical Company data and estimation of the future requirements in Financial Year 2017-18 and 2018-19 considering the growth in activities of our Company. Our Company has assumed raw material inventory of 0.92 months, work in progress inventory of 1.10 and finished goods inventory of 1.02 month for the Financial Year 2017-2018. Further we have assumed raw material inventory of 0.92

months, work in progress inventory of 1.05 and finished goods inventory of 0.92 month for the Financial Year 2018-19.

Our Debtors cycle was of about 1.37 months and 1.23 months in Financial Year 2015-16 and 2016-2017. We have assumed that our debtor's cycle will be 1.30 and 1.31 months for Financial Year 2017-18 and financial year 2018-19 respectively. Similarly we have estimated current assets, trade payables, current liabilities and short term provisions in line with working capital employed in past years and expected to be employed in Financial Year 2017-18 and 2018-19.

Justification for "Holding Period" levels

The justifications for the holding levels mentioned in the table above are provided below:

Assets- Current Assets	
Inventories	In FY 2017-18 we have assumed raw material, work in progress and finished goods inventory of around 0.92 month, 1.10 month and 1.02 month respectively which is in line with those for F.Y. 2016-17 as we aim to maintain our production efficiency. In FY 2018-19 we have assumed raw material, work in progress and finished goods inventory of around 0.92 month, 1.05 month and 0.92 month as we aim to maintain our production efficiency.
Trade receivables	In FY 2017-18 the trade receivable holding period is estimated to increase slightly from 1.23 months in F.Y. 2016-17 to 1.30 months as we aim to have better debtor management policy. In FY 2018-19 the trade receivable holding period is estimated to increase slightly from 1.30 months in F.Y. 2017-18 to 1.31 months as we aim to have better debtor management policy.
Liabilities- Current Liabilities	
Trade Payables	In FY 2017-18, the credit period is expected to be slightly higher to 3.87 months as compared to 3.54 months in FY 2016-17. The same is in line with our ability to get better credit terms due to increase in our operations. In FY 2018-19, the credit period is expected to be decrease to 2.92 months as compared to 3.87 months in FY 2017-18 as we assume to have better credit repayment policy.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating Rs [●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts

ISSUE RELATED EXPENSES

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs. [●] Lakhs.

Expenses	Expenses (Rs. in Lakhs)*	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Payment to Merchant Banker including expenses towards printing, advertising, and payment to other intermediaries such as Registrars, Bankers etc.	[●]	[●]	[●]
Regulatory fees	[●]	[●]	[●]
Marketing and Other Expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**As on date of the Draft Red Herring Prospectus, our Company has incurred Rs. [●] Lakhs towards Issue Expenses out of internal accruals.*

***SCSBs will be entitled to a processing fee of Rs. [●]/- per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them on successful allotment.*

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non Institutional Applicants, would be [●]% on the Allotment Amount# or Rs [●]/- whichever is less on the Applications wherein shares are allotted.

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance project requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance project requirements will be repaid from the Net Proceeds of the Issue.

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilisation of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

As the size of the Issue does not exceed Rs 10,000 Lakhs, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the Listing Regulations, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Issue Proceeds. Until such time as any part of the Issue Proceeds remains unutilized, our Company will disclose the utilization of the Issue Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Issue Proceeds have been utilized so far, and details of amounts out of the Issue Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Issue Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Issue Proceeds in a Fiscal Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the Listing Regulations our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Issue Proceeds for the objects stated in this Draft Red Herring Prospectus.

VARIATION IN OBJECTS

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

OTHER CONFIRMATIONS

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company, in consultation with the Book Running Lead Manager on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is Rs.10 each and the Issue Price is [●] times of the face value at the lower end of the price band and [●] times the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are:

- Experienced and dedicated management team
- Wide product range and customised product offering
- Diverse Customer Base
- Qualitative Products
- Locational Advantage

For further details, refer to heading “*Our Competitive Strengths*” under chapter titled “*Our Business*”

QUANTITATIVE FACTORS

The information presented below relating to the Company is based on the restated financial statements of the Company for Financial Year 2017, 2016 and 2015 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic and Diluted Earnings per Share (EPS) as per Accounting Standard 20

Year ended	Basic Earnings Per Share	Diluted Earnings Per Share	Weights
March 31, 2015	4.41	4.41	1
March 31, 2016	1.98	1.81	2
March 31, 2017	4.25	3.63	3
Weighted average	3.52	3.15	

Note:-

- The earnings per share has been computed by dividing net profit as restated, attributable to equity shareholders by restated weighted average number of equity shares outstanding during the year. Restated weighted average number of equity shares has been computed as per AS 20. The face value of each Equity Share is Rs. 10/-.
- While calculating the net profit after tax for the year ended March 31, 2016, extraordinary items has not been excluded as the same was an expense item.
- On May 06, 2015 and on December 10, 2016 the Company had issued 35,00,000 and 5,00,000 cumulative redeemable preference shares respectively for which terms were modified on May 25, 2017. Further on May 5, 2016 and March 20, 2017, the Company had issued 22,80,000 and 10,75,000 convertible preference shares respectively. All these shares were converted into 21,01,424 equity shares on May 25, 2017. For the purpose of calculating diluted earnings per share, such shares are considered as potential equity shares in their conversion ratio from their respective date of issue.

2. Price to Earnings (P/E) ratio in relation to Price Band of Rs. [●] to [●] per Equity Share of Rs. 10 each fully paid up.

Particulars	PE Ratio on cap price	PE Ratio on floor price
P/E ratio based on Basic EPS for FY 2016-17	[●]	[●]
P/E ratio based on Weighted Average EPS	[●]	[●]
*Industry P/E (on basic EPS)		

Particulars	PE Ratio on cap price	PE Ratio on floor price
Lowest		[●]
Highest		[●]
Average		[●]

3. Return on Net worth (RoNW)

Return on Net Worth ("RoNW") as per restated financial statements

Year ended	RoNW (%)	Weight
March 31, 2015	12.77	1
March 31, 2016	4.98	2
March 31, 2017	8.89	3
Weighted Average		8.24%

Note: The RoNW has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year excluding miscellaneous expenditure to the extent not written off.

On May 06, 2015 and on December 10, 2016 the Company had issued 35,00,000 and 5,00,000 cumulative redeemable preference shares respectively for which terms were modified on May 25, 2017. Further on May 5, 2016 and March 20, 2017, the Company had issued 22,80,000 and 10,75,000 convertible preference shares respectively. All these shares were converted into 21,01,424 equity shares on May 25, 2017. For the purpose of calculating diluted earnings per share, such shares are considered as potential equity shares in their conversion ratio from their respective date of issue.

4. Minimum Return on Total Net Worth post offer needed to maintain Pre Issue EPS for the year ended March 31, 2017

Particulars	(Amount in Rs.)
At Floor price	[●]
At Cap price	[●]

5. Net Asset Value (NAV)

Particulars	Amount (in Rs.)
Net Asset Value per Equity Share as of March 31, 2017	39.22
Net Asset Value per Equity Share after the Issue	[●]
Issue Price per equity share	[●]

- Net Asset Value per Equity Share has been calculated as net worth divided by number of equity shares outstanding at the end of the period.
- On May 06, 2015 and on December 10, 2016 the Company had issued 35,00,000 and 5,00,000 cumulative redeemable preference shares respectively for which terms were modified on May 25, 2017. Further on May 5, 2016 and March 20, 2017, the Company had issued 22,80,000 and 10,75,000 convertible preference shares respectively. All these shares were converted into 21,01,424 equity shares on May 25, 2017. For the purpose of calculating diluted earnings per share, such shares are considered as potential equity shares in their conversion ratio from their respective date of issue.
- Issue Price per equity share will be determined on conclusion of Book Building Process.

6. Comparison with other listed companies

Companies	CMP	Basic EPS	Diluted EPS	PE Ratio on Basic EPS	PE Ratio on Diluted EPS	RON W %	NAV (Per Share)	Face Value	Total Income (In lakhs)
Innovative Tyres and Tubes Limited	[●]	4.25	3.63	[●]	[●]	8.89%	39.22	10.00	13,253.77
CEAT Limited	1,852.20	89.67	89.67	20.66	20.66	15.73	570.12	10.00	6,82,798
Apollo Tyres	263.20	15.77	15.77	16.69	16.69	15.06%	104.73	1.00	10,05,902.30
MRF Limited	69,119.70	3,421.43	3,421.43	20.20	20.20	16.98%	20,146.50	10.00	15,07,801.00

*Source: www.nseindia.com

Notes:

- Considering the nature and turnover of business of the Company the peer are not strictly comparable. However the same have been included for broader comparison.
- The figures for Innovative Tyres and Tubes Limited are based on the restated results for the year ended March 31, 2017
- The figures for the peer group are based on standalone audited results for the respective year ended March 31, 2017
- Current Market Price (CMP) is the closing price of respective script as on July 28, 2017
- The Issue Price of Rs. [●]/- per equity share shall be determined by the company in consultation with the BRLM on the basis of assessment of market demand from investors for the Equity shares by way of Book Building and is justified based on the above accounting ratios.

For further details see section titled “*Risk Factors*” beginning on page 21 and the financials of the Company including profitability and return ratios, as set out in the section titled “*Financial Statements*” beginning on page 217 of this Draft Red Herring Prospectus for a more informed view.

STATEMENT OF POSSIBLE TAX BENEFIT

To,
The Board of Directors,
Innovative Tyres and Tubes Limited
1201, 1202, 1203 GIDC – Halol,
Panch Mahals - 389350,
Gujarat, India

Dear Sirs,

Subject : Statement of Possible Special Tax Benefits available to Innovative Tyres and Tubes Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the SEBI (ICDR) Regulations, 2009 as amended (the ‘Regulations’)

We hereby report that the enclosed annexure prepared by **Innovative Tyres and Tubes Limited**, states the possible special tax benefits available to **Innovative Tyres and Tubes Limited** (‘the Company’) and the shareholders of the Company under the Income Tax Act, 1961 (‘Act’), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and shareholders do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company’s management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (‘the Offer’) by the Company.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, 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.

This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus or any other offer related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Maloo Bhatt & Co.
Chartered Accountants
Firm Registration No. 129572W

Manish Maloo
Partner
M No. 108514
Date: June 30, 2017
Place: Vadodara

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Act

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Act

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV – ABOUT THE COMPANY OUR INDUSTRY

The information in this section is derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the BRLMs, or any of our or their respective affiliates or advisors. 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 and, accordingly, investment decisions should not be based on such information. You should read the entire Draft Red Herring Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Statements” and related notes beginning on page 21 and 217 respectively of this Draft Red Herring Prospectus before deciding to invest in our Equity Shares.

INTRODUCTION TO INDIAN AUTOMOBILE INDUSTRY

The Indian automobile market is estimated to become the third largest in the world by 2016 and will account for more than 5 per cent of the global vehicle sales. The auto components sector has been observing robust growth, and turnover is anticipated to reach US\$ 115 billion by FY21 from US\$ 35.1 billion in FY14. India's exports of auto components could account for as much as 26 per cent of the market by 2021. Favourable government policies such as Auto Policy 2002, Automotive Mission Plan 2006-2016, National Automotive Testing and R&D Infrastructure Projects (NATRIPs), have helped the Indian auto components industry achieve considerable growth.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others. Investments announced in the Indian Auto component sector- 1) French auto parts maker Valeo plans to invest US\$ 100 billion in India in the coming two to three years. 2) Magna International, Canada's giant auto parts supplier plans to open 3 new plants in India by 2019.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

INTRODUCTION TO INDIAN TYRE INDUSTRY

The Indian auto industry is expected to be the world's third largest by 2016 behind China and the US and will account for more than 5% of global vehicle sales as per IBEF. It is also expected to become the fourth largest automobiles producer globally by 2020 after China, US and Japan (India is currently world's second largest two-wheeler manufacturer). The Indian tyre industry is ancillary to the automobile industry. Demand swings in any of the auto segments (Commercial vehicles, cars, two-wheelers) have an impact on the tyre demand.

Indian Tyre Industry is in modernization phase and is largely driven by demand and supply conditions. The domestic industry essentially caters to 2 segments – (1) Original Equipment manufacturers (OEM); (2) Replacement market (Aftermarket). Replacement demand dominates the tyre market contributing 56% of total size while the OEM market share is 44% as of 2015-16. Indian tyre market is driven largely by two & three wheeler tyres (53%), followed by passenger cars (28%) and commercial vehicle segments (16%). Tractor segment accounted for only 3% of the tyre sales in 2015-16. There were 39 companies (2014-15) in the domestic tyre industry as per ATMA and the industry is valued at around Rs 535 billion as of 2015-16 with the top 10 companies accounting for 85-90% of the market share. The export revenues stood at around Rs 100 billion during the year.

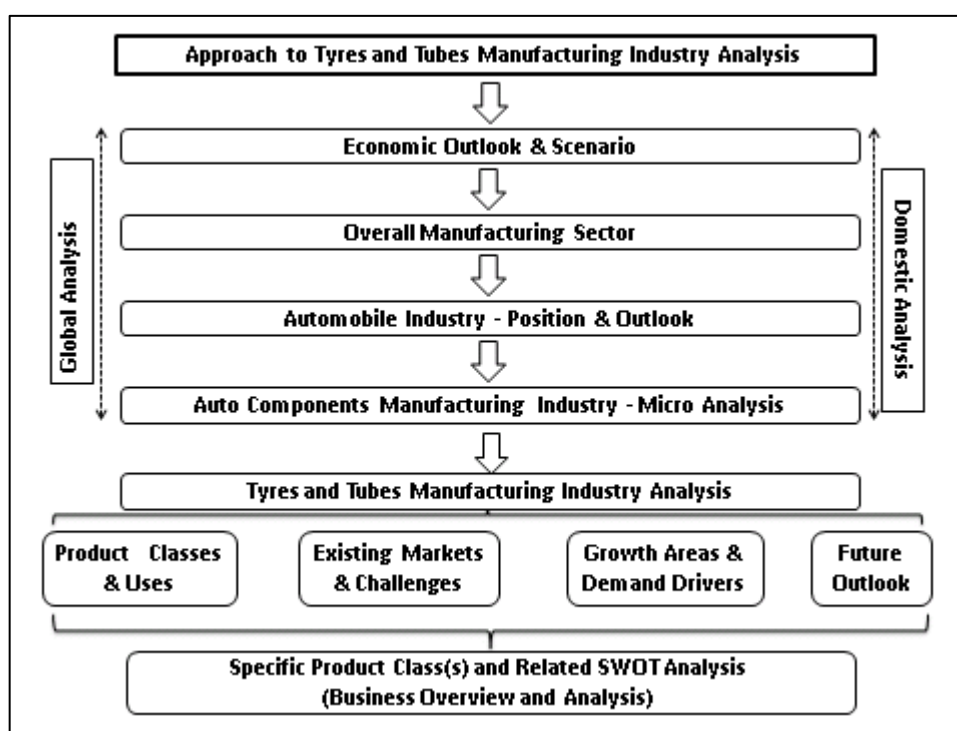
(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

APPROACH TO TYRES AND TUBES MANUFACTURING INDUSTRY ANALYSIS

Analysis of Tyres and Tubes Manufacturing Industry needs to be approached at both macro and micro levels, whether for domestic or global markets. “Tyres and Tubes Manufacturing Industry” forms part of Automobile Industry at broad level and further classified into Auto Components Manufacturing Industry. It needs to be assessed with overall Manufacturing Sector at a macro level. Hence, broad picture of overall “Automobile Industry”, “Auto Components Manufacturing Industry” and “Manufacturing Sector” should be at preface while analysing the “Tyres and Tubes Manufacturing Industry”.

Manufacturing sector comprises various industries, which in turn, have numerous sub-classes or products. One such major industry in the overall manufacturing sector is Automobile Industry which if further classified into “Auto Components Manufacturing Industry”, which in turn encompasses various segments; one of them being “Tyres and Tubes Manufacturing Segment”.

Thus, “Tyres and Tubes Manufacturing Industry” should be analysed in the light of “Automobile Industry”, “Auto Components Manufacturing Industry” at large. An appropriate view on “Tyres and Tubes Manufacturing Industry”, then, calls for the overall economy outlook, performance and expectations of Manufacturing Sector, position and outlook of Auto Components Industry and Tyres and Tubes Manufacturing Industry micro analysis.



This Approach Note is developed by Pantomath Capital Advisors (P) Ltd (“Pantomath”) and any unauthorized reference or use of this Note, whether in the context of Tyres and Tubes industry and Auto Components Manufacturing Industry / or any other industry, may entail legal consequences

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates as a result of the US elections and the implied change in expectations of US fiscal and monetary policy will impact on India’s capital flows and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. The end of the 20-year bond rally and end to the corset of deflation and deflationary expectations are

within sight. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects

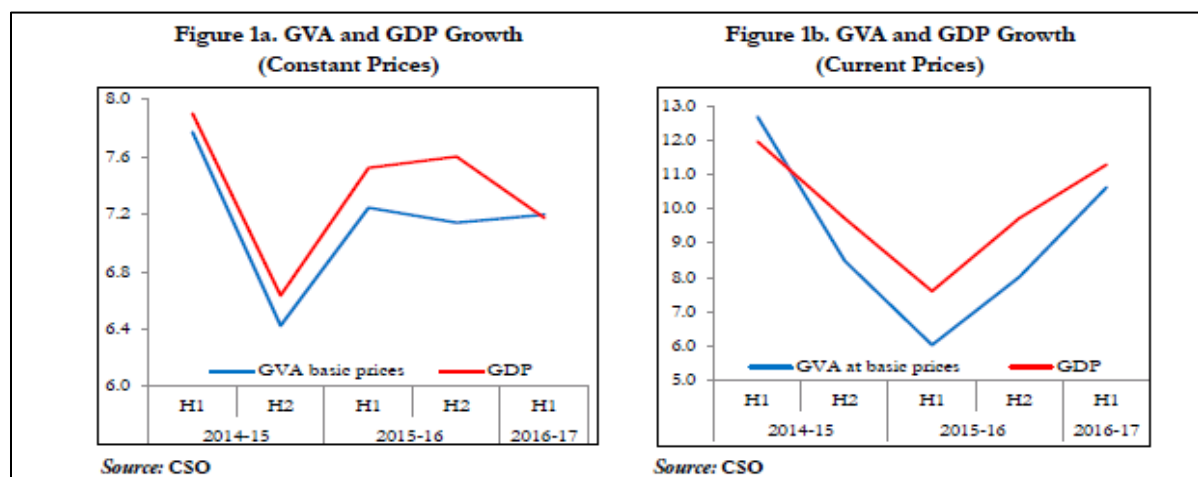
Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spill over effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India. For China, there are at least two difficult balancing acts with respect to the currency. Domestically, a declining currency (and credit expansion) props up the economy in the short run but delay rebalancing while also adding to the medium term challenges. Internationally, allowing the currency to weaken in response to capital flight risks creating trade frictions but imposing capital controls discourages FDI and undermines China's ambitions to establish the Yuan as a reserve currency. China with its underlying vulnerabilities remains the country to watch for its potential to unsettle the global economy.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

REVIEW OF MAJOR DEVELOPMENTS IN INDIAN ECONOMY

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16 (Figure 1a). The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption, as the 7th Pay Commission salary recommendations were implemented, and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred in the first half of 2015-16 (Figure 1b).

The major highlights of the sectoral growth outcome of the first half of 2016-17 were: (i) moderation in industrial and nongovernment service sectors; (ii) the modest pick-up in agricultural growth on the back of improved monsoon; and (iii) strong growth in public administration and defence services—dampeners on and catalysts to growth almost balancing each other and producing a real Gross Value Addition (GVA) growth (7.2 percent), quite similar to the one (7.1 per cent) in H2 2015-16 (Figure 1b).



Inflation this year has been characterized by two distinctive features. The Consumer Price Index (CPI)-New Series inflation, which averaged 4.9 per cent during April-December 2016, has displayed a

downward trend since July when it became apparent that kharif agricultural production in general, and pulses in particular would be bountiful. The decline in pulses prices has contributed substantially to the decline in CPI inflation which reached 3.4 percent at end-December. The second distinctive feature has been the reversal of WPI inflation, from a trough of (-) 5.1 percent in August 2015 to 3.4 percent at end-December 2016, on the back of rising international oil prices. The wedge between CPI and WPI inflation, which had serious implications for the measurement of GDP discussed in MYEA (Box 3, Chapter 1, MYEA 2015-16), has narrowed considerably. Core inflation has, however, been more stable, hovering around 4.5 percent to 5 percent for the year so far. The outlook for the year as a whole is for CPI inflation to be below the RBI's target of 5 percent, a trend likely to be assisted by demonetisation.

External Sector

Similarly, the external position appears robust having successfully weathered the sizeable redemption of Foreign Currency Non-Resident (FCNR) deposits in late 2016, and the volatility associated with the US election and demonetisation. The current account deficit has declined to reach about 0.3 percent of GDP in the first half of FY2017. Foreign exchange reserves are at comfortable levels, having risen from around US\$350 billion at end-January 2016 to US\$ 360 billion at end-December 2016 and are well above standard norms for reserve adequacy. In part, surging net FDI inflows, which grew from 1.7 percent of GDP in FY2016 to 3.2 percent of GDP in the second quarter of FY2017, helped the balance-of-payments

The trade deficit declined by 23.5 per cent in April-December 2016 over corresponding period of previous year. During the first half of the fiscal year, the main factor was the contraction in imports, which was far steeper than the fall in exports. But during October- December, both exports and imports started a long-awaited recovery, growing at an average rate of more than 5 per cent. The improvement in exports appears to be linked to improvements in the world economy, led by better growth in the US and Germany. On the import side, the advantage on account of benign international oil prices has receded and is likely to exercise upward pressure on the import bill in the short to medium term. Meanwhile, the net services surplus declined in the first half, as software service exports slowed and financial service exports declined. Net private remittances declined by \$4.5 bn in the first half of 2016-17 compared to the same period of 2015-16, weighed down by the lagged effects of the oil price decline, which affected inflows from the Gulf region.

Fiscal Position

Trends in the fiscal sector in the first half have been unexceptional and the central government is committed to achieving its fiscal deficit target of 3.5 percent of GDP this year. Excise duties and services taxes have benefitted from the additional revenue measures introduced last year. The most notable feature has been the over-performance (even relative to budget estimates) of excise duties in turn based on buoyant petroleum consumption: real consumption of petroleum products (petrol) increased by 11.2 percent during April-December 2016 compared to same period in the previous year. Indirect taxes, especially petroleum excises, have held up even after demonetisation in part due to the exemption of petroleum products from its scope. More broadly, tax collections have held up to a greater extent than expected possibly because of payment of dues in demonetised notes was permitted. Non-tax revenues have been challenged owing to shortfall in spectrum and disinvestment receipts but also to forecast optimism; the stress in public sector enterprises has also reduced dividend payments.

State government finances are under stress. The consolidated deficit of the states has increased steadily in recent years, rising from 2.5 percent of GDP in 2014-15 to 3.6 percent of GDP in 2015-16, in part because of the UDAY scheme. The budgeted numbers suggest there will be an improvement this year. However, markets are anticipating some slippage, on account of the expected growth slowdown, reduced revenues from stamp duties, and implementation of their own Pay Commissions. For these reasons, the spread on state bonds over government securities jumped to 75 basis points in the January 2017 auction from 45 basis points in October 2016. For the general government as a whole, there is an improvement in the fiscal deficit with and without UDAY scheme.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2016-17

This year's outlook must be evaluated in the wake of the November 8 action to demonetize the high denomination notes. But it is first important to understand the analytics of the demonetisation shock in the short run. Demonetisation affects the economy through three different channels. It is potentially: 1) an aggregate demand shock because it reduces the supply of money and affects private wealth, especially of those holding unaccounted money; 2) an aggregate supply shock to the extent that economic activity relies on cash as an input (for example, agricultural production might be affected since sowing requires the use of labour traditionally paid in cash); and 3) an uncertainty shock because economic agents face imponderables related to the magnitude and duration of the cash shortage and the policy responses (perhaps causing consumers to defer or reduce discretionary consumption and firms to scale back investments).

Demonetisation is also very unusual in its monetary consequences. It has reduced sharply, the supply of one type of money—cash—while increasing almost to the same extent another type of money—demand deposits. This is because the demonetized cash was required to be deposited in the banking system. In the third quarter of FY2017 (when demonetisation was introduced), cash declined by 9.4 percent, demand deposits increased by 43 percent, and growth in the sum of the two by 11.3 percent.

The price counterparts of this unusual aspect of demonetisation are the surge in the price of cash (inferred largely through queues and restrictions), on the one hand; and the decline in interest rates on the lending rate (based on the marginal cost of funds) by 90 basis points since November 9; on deposits (by about 25 basis points); and on g-secs on the other (by about 32 basis points).

There is yet another dimension of demonetisation that must be kept in mind. By definition, all these quantity and price impacts will self-correct by amounts that will depend on the pace at which the economy is remonetized and policy restrictions eased. As this occurs, consumers will run down their bank deposits and increase their cash holdings. Of course, it is possible, even likely that the self-correction will not be complete because in the new equilibrium, aggregate cash holdings (as a share of banking deposits and GDP) are likely to be lower than before.

Anecdotal and other survey data abound on the impact of demonetisation. But we are interested in a macro-assessment and hence focus on five broad indicators: Agricultural (Rabi) sowing; Indirect tax revenue, as a broad gauge of production and sales; Auto sales, as a measure of discretionary consumer spending and two-wheelers, as the best indicator of both rural and less affluent demand; Real credit growth; and Real estate prices. Contrary to early fears, as of January 15, 2017 aggregate sowing of the two major rabi crops—wheat and pulses (gram)—exceeded last year's planting by 7.1 percent and 10.7 percent, respectively. Favourable weather and moisture conditions presage an increase in production. To what extent these favourable factors will be attenuated will depend on whether farmers' access to inputs—fertilizer, credit, and labour—was affected by the cash shortage.

To estimate a demonetisation effect, one needs to start with the counterfactual. Our best estimate of growth in the absence of demonetisation is 11¼ percent in nominal terms (slightly higher than last year's Survey forecast because of the faster rebound in WPI inflation, but lower than the CSO's advance estimate of 11.9 percent) and 7 percent in real terms (in line with both projections).

Finally, demonetisation will afford an interesting natural experiment on the substitutability between cash and other forms of money. Demonetisation has driven a sharp and dramatic wedge in the supply of these two: if cash and other forms are substitutable, the impact will be relatively muted; if, on the other hand, cash is not substitutable the impact will be greater.

(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

OUTLOOK FOR 2017-18

Turning to the outlook for 2017-18, we need to examine each of the components of aggregate demand: exports, consumption, private investment and government.

As discussed earlier, India's exports appear to be recovering, based on an uptick in global economic activity. This is expected to continue in the aftermath of the US elections and expectations of a fiscal stimulus. The IMF's January update of its World Economic Outlook forecast is projecting an increase in global growth from 3.1 percent in 2016 to 3.4 percent in 2017, with a corresponding increase in growth for advanced economies from 1.6 percent to 1.9 percent. Given the high elasticity of Indian real export growth to global GDP, exports could contribute to higher growth next year, by as much as 1 percentage point.

The outlook for private consumption is less clear. International oil prices are expected to be about 10-15 percent higher in 2017 compared to 2016, which would create a drag of about 0.5 percentage points. On the other hand, consumption is expected to receive a boost from two sources: catch-up after the demonetisation-induced reduction in the last two quarters of 2016-17; and cheaper borrowing costs, which are likely to be lower in 2017 than 2016 by as much as 75 to 100 basis points. As a result, spending on housing and consumer durables and semi-durables could rise smartly. It is too early to predict prospects for the monsoon in 2017 and hence agricultural production. But the higher is agricultural growth this year, the less likely that there would be an extra boost to GDP growth next year.

Since no clear progress is yet visible in tackling the twin balance sheet problem, private investment is unlikely to recover significantly from the levels of FY2017. Some of this weakness could be offset through higher public investment, but that would depend on the stance of fiscal policy next year, which has to balance the short-term requirements of an economy recovering from demonetisation against the medium-term necessity of adhering to fiscal discipline—and the need to be seen as doing so. Putting these factors together, we expect real GDP growth to be in the 6¾ to 7½ percent range in FY2018. Even under this forecast, India would remain the fastest growing major economy in the world.

There are three main downside risks to the forecast. First, the extent to which the effects of demonetisation could linger into next year, especially if uncertainty remains on the policy response. Currency shortages also affect supplies of certain agricultural products, especially milk (where procurement has been low), sugar (where cane availability and drought in the southern states will restrict production), and potatoes and onions (where sowings have been low). Vigilance is essential to prevent other agricultural products becoming in 2017-18 what pulses were in 2015-16.

Second, geopolitics could take oil prices up further than forecast. The ability of shale oil production to respond quickly should contain the risks of a sharp increase, but even if prices rose merely to \$60-65/barrel the Indian economy would nonetheless be affected by way of reduced consumption; less room for public investment; and lower corporate margins, further denting private investment. The scope for monetary easing might also narrow, if higher oil prices stoked inflationary pressure.

Third, there are risks from the possible eruption of trade tensions amongst the major countries, triggered by geo-politics or currency movements. This could reduce global growth and trigger capital flight from emerging markets. The one significant upside possibility is a strong rebound in global demand and hence in India's exports. There are some nascent signs of that in the last two quarters. A strong export recovery would have broader spill over effects to investment.

Fiscal outlook

The fiscal outlook for the central government for next year will be marked by three factors. First, the increase in the tax to GDP ratio of about 0.5 percentage points in each of the last two years, owing to the oil windfall will disappear. In fact, excise-related taxes will decline by about 0.1 percentage point of GDP, a swing of about 0.6 percentage points relative to FY2017.

Second, there will be a fiscal windfall both from the high denomination notes that are not returned to the RBI and from higher tax collections as a result of increased disclosure under the Pradhan Mantra

Garib Kalyan Yojana (PMGKY). Both of these are likely to be one-off in nature, and in both cases the magnitudes are uncertain.

A third factor will be the implementation of the GST. It appears that the GST will probably be implemented later in the fiscal year. The transition to the GST is so complicated from an administrative and technology perspective that revenue collection will take some time to reach full potential. Combined with the government's commitment to compensating the states for any shortfall in their own GST collections (relative to a baseline of 14 percent increase), the outlook must be cautious with respect to revenue collections. The fiscal gains from implementing the GST and demonetisation, while almost certain to occur, will probably take time to be fully realized. In addition, muted non-tax revenues and allowances granted under the 7th Pay Commission could add to pressures on the deficit.

The macroeconomic policy stance for 2017-18

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before November 8, the banking system will benefit from a higher level of deposits. Thus, market interest rates—deposits, lending, and yields on g-secs—should be lower in 2017-18 than 2016-17. This will provide a boost to the economy (provided, of course, liquidity is no longer a binding constraint). A corollary is that policy rates can be lower not necessarily to lead and nudge market rates but to validate them. Of course, any sharp uptick in oil prices and those of agricultural products, would limit the scope for monetary easing.

Fiscal policy is another potential source of policy support. This year the arguments may be slightly different from those of last year in two respects. Unlike last year, there is more cyclical weakness on account of demonetisation. Moreover, the government has acquired more credibility because of posting steady and consistent improvements in the fiscal situation for three consecutive years, the central government fiscal deficit declining from 4.5 percent of GDP in 2013-14 to 4.1 percent, 3.9 percent, and 3.5 percent in the following three years. But fiscal policy needs to balance the cyclical imperatives with medium term issues relating to prudence and credibility.

One key question will be the use of the fiscal windfall (comprising the unreturned cash and additional receipts under the PMGKY) which is still uncertain. Since the windfall to the public sector is both one off and a wealth gain not an income gain, it should be deployed to strengthening the government's balance sheet rather than being used for government consumption, especially in the form of programs that create permanent entitlements. In this light, the best use of the windfall would be to create a public sector asset reconstruction company so that the twin balance sheet problem can be addressed, facilitating credit and investment revival; or toward the compensation fund for the GST that would allow the rates to be lowered and simplified; or toward debt reduction. The windfall should not influence decisions about the conduct of fiscal policy going forward.

Perhaps the most important reforms to boost growth will be structural. In addition to those spelt out in Section 1—strategic disinvestment, tax reform, subsidy rationalization—it is imperative to address directly the twin balance sheet problem. The problem is large, persistent and difficult, will not correct itself even if growth picks up and interest rates decline, and current attempts have proved grossly inadequate. It may be time to consider something like a public sector asset reconstruction company.

Another area of reform relates to labour. Given the difficulty of reforming labor laws per se, the thrust could be to move towards affording greater choice to workers which would foster competition amongst service providers. Choices would relate to: whether they want to make their own contribution to the Employees' Provident Fund Organisation (EPFO); whether the employers' contribution should go to the EPFO or the National Pension Scheme; and whether to contribute to the Employee State Insurance (ESI) or an alternative medical insurance program. At the same time, there could be a gradual move to ensure that at least compliance with the central labour laws is made paperless, presence less, and cashless. One radical idea to consider is the provision of a universal basic income. But another more modest proposal worth embracing is procedural: a standstill on new government programs, a commitment to assess every new program only if it can be shown to demonstrably

address the limitations of an existing one that is similar to the proposed one; and a commitment to evaluate and phase down existing programs that are not serving their purpose.

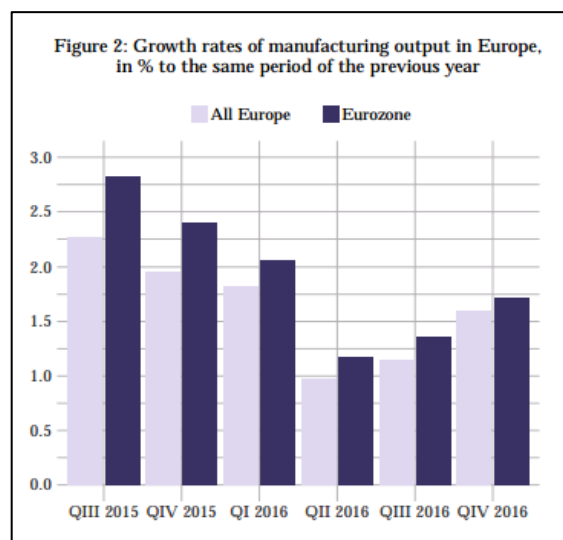
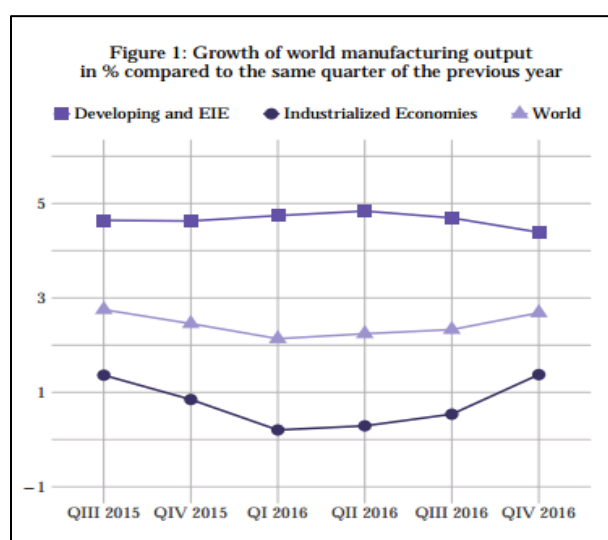
(Source: Economic Survey 2016-17 www.indiabudget.nic.in)

GLOBAL MANUFACTURING SECTOR

World manufacturing growth

World manufacturing output growth improved slightly during the final quarter of 2016. Fourth quarter figures show that the improvement is primarily attributable to the continuing recovery process in industrialized economies. However, manufacturing output growth further slowed in developing and emerging industrial economies. Although the overall growth trend in world manufacturing was positive in the second half of 2016, geopolitical uncertainty remained high and potential changes in global trade arrangements may create new risks.

Against the backdrop of sluggish dynamics, world manufacturing output rose by 2.7 per cent in the fourth quarter of 2016 compared to the same period of the previous year, which is higher than the 2.3 per cent rise in the third quarter and represents the strongest performance since the beginning of the year. A slightly decelerated growth rate observed in developing and emerging industrial economies during the final quarter of 2016 was compensated by a more positive picture in industrialized countries as their growth performance improved. However, the level of growth in developing economies has been consistently higher than in industrialized countries, as depicted in Figure 1.



Major industrialized economies with significant contributions to global manufacturing output, namely the United States, Japan, Germany, the Republic of Korea and United Kingdom, recorded an expansion compared to the same period of the previous year. In China, the world's largest manufacturer, comparably lower growth rates have now become more prevalent, thus pushing the average industrial growth of emerging industrial economies downward.

The manufacturing output of industrialized economies increased to 1.4 per cent in the fourth quarter of 2016 from the 0.5 per cent recorded in the previous quarter. This increase is primarily attributable to the performance of East Asia, which experienced a significant reversal in growth in the second half of 2016, following several consecutive slumps that have lasted for nearly two years. The main force driving this nearly 2.9 per cent year-by-year upturn is Japan, East Asia's major manufacturer, whose export-fuelled growth was also supported by a weakened yen against the US dollar. Production in Europe witnessed a healthy growth momentum at the end of 2016, and had a positive impact on the manufacturing growth of industrialized countries as a whole. By contrast, the growth of North America's manufacturing output remained stagnant in the fourth quarter of 2016 and recorded a negligible gain of 0.2 per cent.

The manufacturing output of developing and emerging industrial economies rose by merely 4.4 per cent. This was the first time the growth of these economies was below 5.0 per cent since the beginning of 2015. Asian economies maintained a relatively higher growth rate at 5.5 per cent, but their growth performance hit a multi-year low in the final quarter of 2016. Other regions' production slightly decreased compared to the same period of 2015: by 1.0 per cent in Latin America and 0.5 per cent in Africa. As long as economic and political instability persists in industrialized countries, the threat of another slowdown remains looming over developing economies.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Industrialized Economies

The manufacturing output growth of industrialized economies improved in the last quarter of 2016 from 0.5 per cent in the third quarter to 1.4 per cent. This acceleration was characterized by an upward trend in East Asia and Europe. Manufacturing growth experienced a moderate, albeit noticeable slowdown in North America.

Among the industrialized country group, Europe's manufacturing output grew by 1.6 per cent in the final quarter of 2016, while the eurozone registered a growth rate of 1.7 per cent. The growth trends for these two groups converged and nearly merged at the end of 2016, displaying a fairly balanced resistance and response to adverse impacts. When comparing year-to-year developments among the leading eurozone economies, Italy registered a 2.8 per cent growth rate followed by Germany with a growth rate of 1.2 per cent, while a more moderate growth rate of 0.2 per cent was observed in France. The growth figures for the majority of eurozone countries were positive, with strong growth performance observed in Slovenia - the fastest growing manufacturer among all eurozone countries in 2016. Manufacturing output rose by 2.0 per cent and more in Lithuania, Finland, the Netherlands and Ireland, while Portugal's dropped by 0.6 per cent.

Beyond the eurozone, the manufacturing production in the United Kingdom recorded a positive growth rate in the final quarter of 2016 at 1.9 per cent, despite an expected slowdown in the aftermath of Brexit. Manufacturing output in the Russian Federation grew by a moderate rate of 1.0 per cent, continuing its shaky recovery after the country's economy was severely hit by the drop in oil prices. The pace of growth remained slow in Czechia and Hungary due to the reduction in EU investment funds and even less positive results came from Switzerland, where manufacturing output dropped by 1.6 per cent compared to the same period of the previous year.

Overall manufacturing production in North America grew by 0.2 per cent compared to the fourth quarter of the previous year. The still strong dollar made American-made goods more expensive and less competitive compared to foreign produced goods, which led to weak exports and subsequently to a negligible 0.2 per cent improvement in total manufacturing output in the United States on a year to-year basis. Positive growth was reported in the production of motor vehicles, computers, electronic and optical products, but the majority of manufacturing industries reported a decline. In Canada, manufacturing growth in the fourth quarter of 2016 varied considerably by industry. While the production of pharmaceuticals and chemicals remained strong, production in fabricated metal products and in the automotive industry dropped. Aggregated growth of manufacturing output in Canada was 0.2 per cent in the fourth quarter of 2016.

The disruption of a long period of consecutive contraction in the industrialized East Asian economies was confirmed by a positive result in the fourth quarter of 2016 - nearly 2.9 per cent improvement was observed compared to the fourth quarter of 2015. A major force stimulating this change was Japan, which recorded a positive growth rate of 2.7 per cent following a nearly two-year period of consecutive slumps, except for the last quarter, when the first signs of improvement arose. This upswing is primarily attributable to the boost in all three key sectors in Japan - the automotive industry, computers, electronic and optical products and machinery and equipment. Taking advantage of the weakening yen and a pickup in global trade, manufacturing production in the Republic of Korea witnessed a gain of 1.7 per cent. Malaysia's total manufacturing output recorded a 4.9 per cent rise in

the fourth quarter of 2016 on a year-to-year basis, and very strong growth figures were also observed in Singapore.

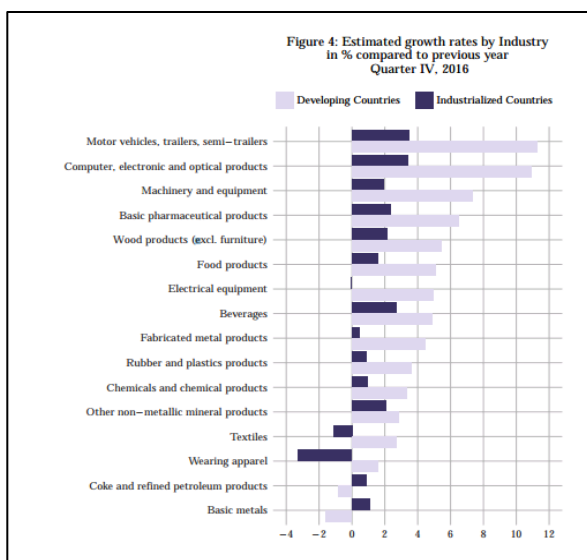
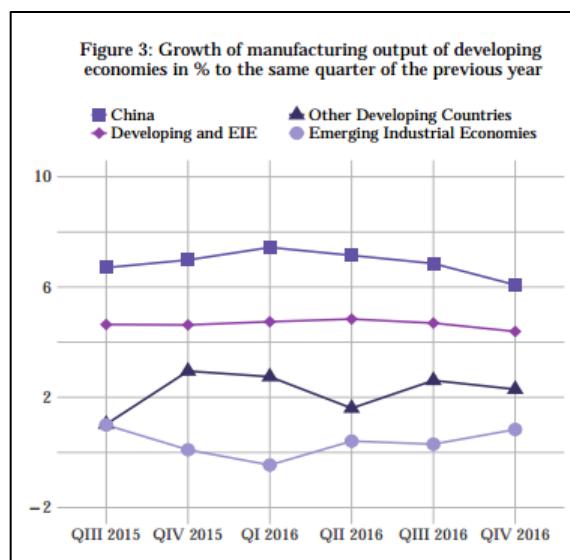
Despite this overall improvement, global growth still looks fragile due to the uncertainty in Europe generated by Brexit and the upcoming U.S. secession from the Trans-Pacific Partnership. On the other hand, a new free-trade agreement between the EU and Canada looks promising for the manufacturing of a number of countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Developing and Emerging Industrial Economies

The overall growth of manufacturing output in developing and emerging industrial economies was affected by gloomy signals emanating from the major economies in this group. Although manufacturing activity in China continued to expand, its pace slowed compared to the previous quarter. In the final quarter of 2016, manufacturing production in China rose by 6.1 per cent over the same period of the previous year, reflecting a slowdown from the 6.9 per cent growth rate recorded in the previous quarter. This slightly steeper deceleration was mainly driven by negative growth in the production of basic metals, China's strongest industry. Following an uninterrupted downward trajectory since late 2013, the trend in China now seems to point towards stabilization at a sustainable pace.

Latin American economies, which have recently faced a severe decline due to subdued global demand, low commodity prices and domestic political turbulence, have reduced their declining growth rate to 1.0 per cent. On a sequential basis, the fall in manufacturing activity in Brazil has softened throughout 2016, dropping only by 2.9 per cent in a year-to-year comparison in the final quarter of 2016. The largest expansion was seen in the manufacturing of motor vehicles, closely followed by manufacturing of computer, electronic and optical products. Other larger Latin American manufacturers, namely Mexico and Colombia, recorded a positive growth of 2.0 per cent and 1.5 per cent, respectively, while Argentina, Chile and Peru experienced contractions.



Growth performance was much higher in Asian economies, where manufacturing output rose by 5.5 per cent in the fourth quarter of 2016, a decent result considering that the production growth rate of Asian developing economies has not dropped below 6.0 per cent since the global financial crisis. Viet Nam again confirmed its position as one of the fastest growing Asian economies with a 9.6 per cent gain, benefiting mostly from its attractiveness for foreign direct investment and export oriented industries. Indonesia's manufacturing output expanded by 2.3 per cent in a year-by-year comparison, decelerating from much higher growth rates recorded in previous quarters, while India's manufacturing production output ended the year with a trivial, barely 0.5 per cent rise, the first positive growth figure registered in 2016. According to UNIDO estimates, positive developments

were observed in other Asian economies: manufacturing output rose by 3.6 per cent in Saudi Arabia, almost 4.0 per cent in Pakistan and 1.3 per cent in Jordan. Bangladesh managed to maintain its robust growth in the fourth quarter of 2016, while manufacturing output in Mongolia contracted.

Estimates based on the limited available data indicate that manufacturing output in Africa decreased by 0.5 per cent in the final quarter of 2016. In terms of individual countries, a 0.6 per cent drop was registered in South Africa, the region's most industrialized economy. Egypt and Tunisia's manufacturing output also decreased compared to the same period of the previous year, while Morocco and Cote d'Ivoire registered a positive growth rate according to UNIDO estimates.

Among the other developing economies, the manufacturing output of East European countries achieved relatively higher growth rates. Manufacturing output rose by 4.1 per cent in Poland, 4.7 per cent in Romania, 4.3 per cent in Bulgaria and over 5.0 per cent in Serbia and Croatia. Manufacturing production in Turkey grew by 1.4 per cent, reversing the decline registered in the previous period.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

Key Findings - Global manufacturing

Global manufacturing production maintained a positive growth in nearly all industries in the final quarter of 2016. High- and medium-high-technology manufacturing industries held top positions, when looking at the year-by-year developments - the manufacture of computers, electronics and optical products grew by 6.3 per cent, the manufacture of motor vehicles rose by 6.2 per cent and the production of pharmaceutical products by 4.0 per cent. However, the production of other transport equipment, another high-technology sector, contracted by 0.9 per cent compared to the same period of the previous year. The largest loss was recorded in the tobacco industry, with its global production declining by 5.8 per cent.

As regards durable and capital goods, the production of machinery and equipment experienced an exceptionally high growth rate at 3.7 per cent in the fourth quarter of 2016. The manufacture of non-metallic mineral products, which essentially supply construction materials, registered a growth figure of 2.5 per cent worldwide. The manufacture of fabricated metal products and furniture both rose at a moderate pace of 1.7 per cent. Worldwide manufacturing of basic metals has systematically lost strength over the last few years and reached a negative growth rate of 0.7 per cent in the fourth quarter of 2016, mostly due to a visibly decreased production of basic metals in China.

Global manufacturing output maintained relatively high growth rates in the production of basic consumer goods. The manufacture of food products rose by 3.1 per cent and beverages by 3.7 per cent, while the manufacture of wearing apparel increased by 0.5 per cent only. In low-technology manufacturing sectors, the global production of wood products rose by 3.3 per cent while the growth pace of manufacturing of paper products, textiles and leather products remained below 2.0 per cent.

The growth performance of developing and emerging industrial economies outperformed industrialized economies in nearly all manufacturing industries, including a number of high-technology industries, as illustrated in Figure 4. The fastest growing industry in both country groups was the automotive industry, reflecting strong growth of automobile production in China as well as in European countries.

(Source: World Manufacturing Production- Statistics for Quarter IV, 2016; United Nations Industrial Development Organisation - www.unido.org)

MANUFACTURING SECTOR IN INDIA

Introduction

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020*. The Government of India has set an ambitious target of increasing the contribution of manufacturing output to 25 per cent of Gross Domestic Product (GDP) by 2025, from 16 per cent currently.

Market Size

India's manufacturing sector has the potential to touch US\$ 1 trillion by 2025. There is potential for the sector to account for 25-30 per cent of the country's GDP and create up to 90 million domestic jobs by 2025. Business conditions in the Indian manufacturing sector continue to remain positive.

Investments

With the help of Make in India drive, India is on the path of becoming the hub for hi-tech manufacturing as global giants such as GE, Siemens, HTC, Toshiba, and Boeing have either set up or are in process of setting up manufacturing plants in India, attracted by India's market of more than a billion consumers and increasing purchasing power. Foreign Direct Investment (FDI) inflows in India's manufacturing sector grew by 82 per cent year-on-year to US\$ 16.13 billion during April-November 2016. India has become one of the most attractive destinations for investments in the manufacturing sector. Some of the major investments and developments in this sector in the recent past are:

- Apple plans to produce iPhone SE at an upcoming facility in Bengaluru, owned by its partner Wistron, which has upgraded the plant to assemble Apple iPhones.
- Coca-Cola, the US-based beverage giant, plans to invest around Rs 750 crore (US\$ 112.5 million) to set up a food processing unit and a bottling plant at the newly developed Mohasa-Babai industrial estate in Hoshangabad, Madhya Pradesh.
- Panasonic Corporation, the Japan-based electronics company, plans to set up a new plant at Jhajjar, Haryana, to manufacture refrigerators for the Indian market, and a Research and Development (R&D) center for appliances consisting of two technical divisions to strengthen its product development in the country.
- BSH Home Appliances Group, the leading home appliances manufacturer in Europe, inaugurated its first technology centre in India at Adugodi, Bengaluru, which will enable the company to further develop localised technologies for the Indian market.
- China based LCD and touchscreen panel manufacturer, Holitech Technology, has announced plans to investing up to US\$ 1 billion in India by the end of 2017.
- Ashok Leyland Ltd has launched its circuit series electric bus, the first ever electric bus designed and engineered entirely in India specifically for Indian road conditions, with a capacity to travel over 150 km on a single charge.
- Huawei, the China-based smartphone manufacturer, has entered into an agreement with solutions provider Flextronics Technologies (India) Private Limited, to manufacture its smartphones in India. Flextronics would start by making 3 million smart phones at its facility in Chennai and is expected to generate additional 1,500 jobs.
- Tristone Flowtech Group, the Germany-based flow technology systems specialist, has set up a new facility in Pune, which will manufacture surge tank as well as engine cooling and aircharge hose for the Indian market. The company plans to start the production at the plant in the fourth quarter of 2017.
- Tata Power has partnered with US-based Javelin Joint Venture, which is a partnership between Raytheon Company and Lockheed Martin, for its Strategic Engineering Division (SED), in order to

create a strategy to co-develop and produce the Javelin missile system and integrate platform mounts to meet Indian requirements.

- LeEco, a Chinese technology company, has entered into a partnership with Compal Technologies and invested US\$ 7 million to set up manufacturing facility at Greater Noida in order to start manufacturing Le2 smartphones in India.
- Zopo Mobile, a China-based smartphone manufacturer, plans to invest Rs 100 crore (US\$ 15 million) to set up a manufacturing plant in Noida by the end of 2016, which will have a monthly production capacity of 100,000 units.
- Honda Motorcycle & Scooter India plans to invest around Rs 600 crore (US\$ 90 million) to add a new line at its Narsapura facility at Karnataka, and launch at least 10-15 products during FY 2016-17 in the country.
- Force Motors, a utility and commercial vehicles manufacturer, inaugurated its Rs 100 crore (US\$ 15 million) manufacturing facility in Pune, which will supply engines and axles to the Germany-based automobile manufacturer Mercedes-Benz.
- Boeing Company, an American plane maker, and Tata Advanced Systems Ltd (TASL), a fully owned subsidiary of Tata Sons, have entered into a joint venture to set up a new facility in Hyderabad to manufacture Boeing AH-64 Apache helicopter fuselages.
- Panasonic Corporation plans to set up a new manufacturing plant for refrigerators in India with an investment of Rs 250 crore (US\$ 37.5 million), and also invest around Rs 20 crore (US\$ 3 million) on an assembly unit for lithium ion batteries at its existing facility in Jhajjar in the next 8-10 months.
- Vital Paper Products, one of the major supply chain players in the paper and paper products industry, plans to set up a packaging product unit in the Special Economic Zone (SEZ) of Sri City, Andhra Pradesh, at an investment of Rs 60 crore (US\$ 9 million), which will be operational from April 2017.
- Isuzu Motors, the Japan-based utility vehicle manufacturer, has inaugurated its greenfield manufacturing unit in Sri City, Andhra Pradesh, which was set up for Rs 3,000 crore (US\$ 450 million), with an annual production capacity of 50,000 units and is estimated to generate around 2,000-3,000 jobs.
- Airbus has procured more than US\$ 500 million worth of supplies from India in 2015, registering a growth of 15 per cent annually and has targeted a cumulative procurement of more than US\$ 2 billion over a period of five years up to 2020.
- Havells India Limited, one of the top Indian consumer electrical equipment producer, plans to set up a new manufacturing unit near Bengaluru by making an investment of Rs 1,059 crore (US\$ 158.85 million), which would be its twelfth plant in India and its first outside north India.
- Global beverage company Pepsi plans to invest Rs 500 crore (US\$ 75 million) to set up another unit in Maharashtra to make mango, pomegranate and orange-based citrus juices, while biotechnology giant Monsanto plans to set up a seed plant in Buldhana district of Maharashtra.
- Hindustan Coca-Cola Beverages plans to set up a bottling plant with an investment of Rs 750 crore (US\$ 112.5 million) in phases at the first industrial area being developed by Government of Madhya Pradesh under the public private partnership in Babai village of Hoshangabad, Bhopal.
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India and will employ around 600 people at both units.

Government Initiatives

In a bid to push the 'Make in India' initiative to the global level, Mr Narendra Modi, Prime Minister of India, pitched India as a manufacturing destination at the World International Fair in Germany's Hannover in 2015. Mr Modi showcased India as a business friendly destination to attract foreign businesses to invest and manufacture in the country.

The Government of India has taken several initiatives to promote a healthy environment for the growth of manufacturing sector in the country. Some of the notable initiatives and developments are:

- The Government of India has introduced several policy measures in the Union Budget 2017-18 to provide impetus to the manufacturing sector. Some of which include reduction of income tax rate to 25 per cent for MSME companies having turnover up to Rs 50 crore (US\$ 7.5 million), MAT credit carry forward extended to 15 years from 10 years and abolishment of Foreign Investment Promotion Board (FIPB) by 2017-18.
- The Union Cabinet has approved the Modified Special Incentive Package Scheme (M-SIPS) in which, proposals will be accepted till December 2018 or up to an incentive commitment limit of Rs 10,000 crore (US\$ 1.5 billion).
- The Government of India has removed the 12.5 per cent excise duty and 4 per cent special additional duty (SAD) on the manufacturing of point-of-sale (PoS) machines till March 31, 2017, which is expected to give a boost to the cashless economy as more PoS machines will be deployed in the future.
- The National Institution for Transforming India (NITI Aayog), after its recent push for Rs 6,000 crore (US\$ 900 million) textile sector package, aims to persuade the Government for similar support in the manufacturing sectors with large-scale employment generation opportunities, such as electrical and electronics engineering, footwear and light manufacturing segments, which also have export potential.
- The Ministry of Labour and Employment plans to relax compliance measures for MSMEs by exempting them from inspections related to key labour laws in order to encourage entrepreneurs to help promote manufacturing in India.
- The Government of India plans to give a big boost to local manufacturing by introducing the new 'Make in India green channel', which will reduce the time taken for cargo clearance at ports from about a week to a few hours without any upfront payment of duties.
- Gujarat government is planning to set up an electronics products manufacturing hub in the state, through its newly announced Electronics Policy 2016, which will generate about 500,000 jobs in the electronics sector in the next five years.
- The Ministry of Heavy industries and Public Enterprises, in partnership with industry associations, has announced creation of a start-up centre and a technology fund for the capital goods sector to provide technical, business and financial resources and services to start-ups in the field of manufacturing and services.
- NITI Aayog plans to release a blueprint for various technological interventions which need to be incorporated by the Indian manufacturing economy, with a view to have a sustainable edge over competing neighbours like Bangladesh and Vietnam over the long term.
- Ms Nirmala Sitharaman, Minister of State (Independent Charge) for Commerce and Industry, has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy (NMP) to facilitate acquisition of Clean, Green and Energy Efficient Technologies, by Micro, Small & Medium Enterprises (MSMEs).
- The Government of India has asked New Delhi's envoys in over 160 countries to focus on economic diplomacy to help government attract investment and transform the 'Make in India' campaign a success to boost growth during the annual heads of mission's conference. Prime Minister, Mr Modi has also utilised the opportunity to brief New Delhi's envoys about the

Government's Foreign Policy priority and immediate focus on restoring confidence of foreign investors and augmenting foreign capital inflow to increase growth in manufacturing sector.

- The Government of Uttar Pradesh has secured investment deals valued at Rs 5,000 crore (US\$ 741.2 million) for setting up mobile manufacturing units in the state.
- Government of India has planned to invest US\$ 10 billion in two semiconductor plants in order to facilitate electronics manufacturing in the country.
- Entrepreneurs of small-scale businesses in India will soon be able to avail loans under Pradhan Mantri MUDRA Yojana (PMMY). The three products available under the PMMY include: Shishu - covering loans up to Rs 50,000 (US\$ 735), Kishor - covering loans between Rs 50,000 (US\$ 750) to Rs 0.5 million (US\$ 7,500), and Tarun - covering loans between Rs 0.5 million (US\$ 7,500) and Rs 1 million (US\$ 15,000).

Road Ahead

The Government of India has an ambitious plan to locally manufacture as many as 181 products. The move could help infrastructure sectors such as power, oil and gas, and automobile manufacturing that require large capital expenditure and revive the Rs 1,85,000 crore (US\$ 27.75 billion) Indian capital goods business.

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

With impetus on developing industrial corridors and smart cities, the government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

*According to the Global Manufacturing Competitiveness Index published by Deloitte

(Source: Manufacturing Sector in India, India Brand Equity Foundation www.ibef.org)

INDIAN AUTOMOBILE INDUSTRY

Introduction:

The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. The overall Passenger Vehicle (PV) segment has 13 per cent market share.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In April-March 2016, overall automobile exports grew by 1.91 per cent. PV, Commercial Vehicles (CV), and Two Wheelers (2W) registered a growth of 5.24 per cent, 16.97 per cent, and 0.97 per cent respectively in April-March 2016 over April-March 2015.* In addition, several initiatives by the Government of India and the major automobile players in the Indian market are expected to make India a leader in the 2W and Four Wheeler (4W) market in the world by 2020.

Market Size:

The sales of PVs, CVs and 2Ws grew by 9.17 per cent, 3.03 per cent and 8.29 per cent respectively, during the period April-January 2017.

Investments:

In order to keep up with the growing demand, several auto makers have started investing heavily in various segments of the industry during the last few months. The industry has attracted Foreign Direct Investment (FDI) worth US\$ 15.79 billion during the period April 2000 to September 2016, according to data released by Department of Industrial Policy and Promotion (DIPP).

Some of the major investments and developments in the automobile sector in India are as follows:

Electric car maker Tesla Inc. is likely to introduce its products in India sometime in the summer of 2017.

- South Korea's Kia Motors Corp is close to finalising a site for its first factory in India, slated to attract US\$1 billion (Rs 6,700 crore) of investment. It is deciding between Andhra Pradesh and Maharashtra. The target for operationalizing the factory is the end of 2018 or early 2019.
- Several automobile manufacturers, from global majors such as Audi to Indian companies such as Maruti Suzuki and Mahindra & Mahindra, are exploring the possibilities of introducing driverless self-driven cars for India.
- BMW plans to manufacture a local version of below-500 CC motorcycle, the G310R, in TVS Motor's Hosur plant in Tamil Nadu, for Indian markets.
- Honda Motorcycle and Scooter India (HMSI) has inaugurated its 900th Honda Authorised Exclusive Dealership in India, thereby taking its total dealership network to 4,800 across the country and further plans to increase its network to 5,300 by end of 2016-17.
- Hero MotoCorp Ltd seeks to enhance its participation in the Indian electric vehicle (EV) space by pursuing its internal EV Programme in addition to investing Rs 205 crore (US\$ 30.75 million) to acquire around 26-30 per cent stake in Bengaluru-based technology start-up Ather Energy Pvt Ltd.
- JustRide, a self-drive car rental firm, has raised US\$ 3 million in a bridge round of funding led by a group of global investors and a trio of Y Combinator partners, which will be utilised to amplify JustRide's car sharing platform JustConnect and Yabber, an internet of things (IoT) device for cars that is based on the company's smart vehicle technology (SVT).
- Ford Motor Co. plans to invest Rs 1,300 crore (US\$ 195 million) to build a global technology and business centre in Chennai, which will be designed as a hub for product development, mobility solutions and business services for India and other markets.
- Cummins has plans to make India an export hub for the world, by investing in top components and technologies in India.
- Suzuki Motor Corporation, the Japan-based automobile manufacturer, plans to invest Rs 2,600 crore (US\$ 390 million) for setting up its second assembly plant in India and an engine and transmission unit in Mehsana, Gujarat.
- Mr Masayoshi Son, Chief Executive Officer, SoftBank Group, has stated that Ola Cabs may introduce a fleet of one million electric cars in partnership with an electric vehicle maker and the Government of India, which could help reduce pollution and thereby transform the electric mobility sector in the country.
- China's biggest automobile manufacturer, SAIC Motor, plans to invest US\$ 1 billion in India by 2018, and is exploring possibilities to set up manufacturing unit in one of three states – Maharashtra, Andhra Pradesh and Tamil Nadu.
- Suzuki Motorcycle India Pvt Ltd has started exports of made-in-India flagship bike Gixxer to its home country of Japan, which will be in addition to current exports to countries in Latin America and surrounding countries.
- General Motors plans to invest US\$ 1 billion in India by 2020, mainly to increase the capacity at the Talegaon plant in Maharashtra from 130,000 units a year to 220,000 by 2025.

- FIAT Chrysler Automobiles has recently invested US\$280 million in its Ranjangaon plant to locally manufacture Jeep Compass, its new compact SUV which will be launched in India in August 2017.

Government Initiatives:

The Government of India encourages foreign investment in the automobile sector and allows 100 per cent FDI under the automatic route.

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

- The Government of India plans to introduce a new Green Urban Transport Scheme with a central assistance of about Rs 25,000 crore (US\$ 3.75 billion), aimed at boosting the growth of urban transport along low carbon path for substantial reduction in pollution, and providing a framework for funding urban mobility projects at National, State and City level with minimum recourse to budgetary support by encouraging innovative financing of projects.
- Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative, as it expects passenger vehicles market to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26.
- The Government plans to promote eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle, and electric vehicle and also made mandatory of 5 per cent ethanol blending in petrol.
- The government has formulated a Scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.

Road Ahead:

India's automotive industry is one of the most competitive in the world. It does not cover 100 per cent of technology or components required to make a car but it is giving a good 97 per cent, as highlighted by Mr Vicent Cobee, Corporate Vice-President, Nissan Motor's Datsun. Leading auto maker Maruti Suzuki expects Indian passenger car market to reach four million units by 2020, up from 1.97 million units in 2014-15. Mr Young Key Koo, Managing Director, Hyundai Motor India Ltd, has stated that India is a key market for the company, not only in terms of volumes but also as a hub of small products for exports to 92 countries. Mr Joachim Drees, Global CEO, MAN Trucks & Bus AG, has stated that India has the potential to be among the top five markets, outside of Europe, by 2020 for the company, which is reflected in the appointment of its most experienced managers to India for increasing volumes and exports out of India.

The Indian automotive aftermarket is estimated to grow at around 10-15 per cent to reach US\$ 16.5 billion by 2021 from around US\$ 7 billion in 2016. It has the potential to generate up to US\$ 300 billion in annual revenue by 2026, create 65 million additional jobs and contribute over 12 per cent to India's Gross Domestic Product. According to Mr Guillaume Sicard, president, Nissan India Operations, the income tax rate cut from 10 per cent to 5 per cent for individual tax payers earning under Rs 5 lakh (US\$ 7,472) per annum will create a positive sentiment among likely first time buyers for entry level and small cars.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 9, 2017

References: Media Reports, Press Releases, Department of Industrial Policy and Promotion (DIPP), Automotive Component Manufacturers Association of India (ACMA), Society of Indian Automobile Manufacturers (SIAM), Union Budget 2015-16, Union Budget 2017-18

Notes: *- As per the Society of Indian Automobile Manufacturers (SIAM)

- As per the Automotive Mission Plan 2016-26 prepared jointly by the Society of Indian Automobile Manufacturers (SIAM) and government

(Source: Automobile Industry in India, India Brand Equity Foundation www.ibef.org)

INDIAN AUTO COMPONENTS INDUSTRY

Introduction:

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

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

Market Size:

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category. Over the last decade, the automotive components industry has scaled three times to US\$ 39 billion in 2015-16 while exports have grown even faster to US\$ 10.8 billion. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers.

The Indian Auto Component industry is expected to grow by 8-10 per cent in FY 2017-18, based on higher localisation by Original Equipment Manufacturers (OEM), higher component content per vehicle, and rising exports from India, as per ICRA Limited. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 80- US\$ 100 billion by 2026, from the current US\$ 11.2 billion.

Investments:

The cumulative Foreign Direct Investment (FDI) inflows into the Indian automobile industry during the period April 2000 – September 2016 were recorded at US\$ 15.80 billion, as per data by the Department of Industrial Policy and Promotion (DIPP).

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

- Gestamp, a Spanish automobile component manufacturing company, has invested Rs 260 crore (US\$ 38.63 million) in a new hot stamping plant in Pune, in order to cater to the increasing demand for lighter vehicles in India.
- Exide Industries, India's biggest automotive battery maker, plans to invest around Rs 300 crore (US\$ 45 million) in West Bengal to expand its capacity for advanced motorcycle batteries over a period of 18 months.
- Motherson Sumi Systems Ltd, an automobile components manufacturer, has acquired Finland-based truck wire maker PKC Group Pic for € 571 million (US\$ 609.57 million), which will help the company expand its presence in the global wiring harness business for commercial vehicles.
- Sundaram Clayton, part of the TVS group, plans to invest US\$ 50 million in US and Rs 400 crore (US\$ 59.76 million) in India over the next three years.
- Mercedes Benz India Private Limited has set up India's largest spare parts warehouse in Pune, with an area of 16,500 square meters which can stock up to 44,000 parts. It will also include a vehicle preparation centre that can stock up to 5,700 cars to customise them before delivery.
- JK Tyre and Industries Ltd, India's leading tyre manufacturer, has acquired Cavendish Industries Ltd (CIL) for Rs 2,200 crore (US\$ 329.2 million), which will enable JK's entry into the fast-growing two-wheeler and three-wheeler tyre market.
- Japanese auto major Honda is planning to step up supply and target exporting of auto components worth Rs 1,500 crore (US\$ 224.45 million) from India to its various international operations.

- Auto components maker Bharat Forge Ltd (BFL), the flagship company of the US\$ 3 billion Kalyani Group, has formalised agreement with Rolls-Royce Plc which will supply BFL with critical and high integrity forged and machined components
- Canada's Magna International Incorporated has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co in India
- Everstone Capital, a Singapore-based private equity (PE) firm, has purchased 51 per cent in Indian auto components maker SJS Enterprises for an estimated Rs 350 crore (US\$ 51.35 million).
- Arcelor Mittal signed a joint venture agreement with Steel Authority of India Ltd (SAIL) to establish an automotive steel manufacturing facility in India.
- German auto components maker Bosch Ltd opened its new factory at Bidadi, near Bengaluru, which is its fifth manufacturing plant in Karnataka. The company has also signed a memorandum of understanding (MoU) with Indian Institute of Science (IISc), Bengaluru with a view to strengthen Bosch's research and development in areas including mobility and healthcare thereby driving innovation for India-centric requirements.
- French tyre manufacturer Michelin announced plans to produce 16,000 tonnes of truck and bus tyres from its Indian facility this year, a 45 per cent rise from last year.
- Amtek Auto Ltd acquired Germany-based Scholz Edelstahl GmbH through its 100 per cent Singapore-based subsidiary Amtek Precision Engineering Pte Ltd.
- MRF Ltd plans to invest Rs 4,500 crore (US\$ 660.231 million) in its two factories in Tamil Nadu as part of its expansion plan.
- Hero MotoCorp is investing Rs 5,000 crore (US\$ 733.59 million) in five manufacturing facilities across India, Colombia and Bangladesh, to increase its annual production capacity to 12 million units by 2020.

Government Initiatives:

The Government of India's Automotive Mission Plan (AMP) 2006–2016 has come a long way in ensuring growth for the sector. It is expected that this sector's contribution to the GDP will reach US\$ 145 billion in 2016 due to the government's special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has also helped foreign companies to make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016–2026 envisages creation of an additional 50 million jobs along with an ambitious target of increasing the value of the output of the sector to up to Rs 1,889,000 crore (US\$ 282.65 billion).

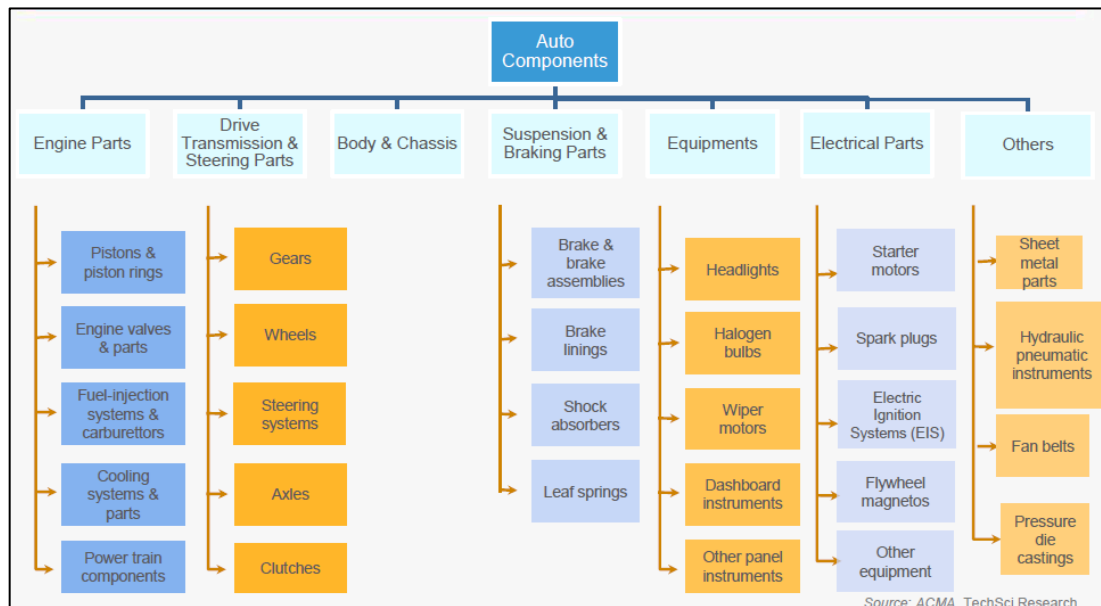
Road Ahead:

The rapidly globalising world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt to the change via systematic research and development. The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as exports potential could be increased by up to four times to US\$ 40 billion by 2020.

Exchange Rate Used: INR 1 = US\$ 0.015 as on February 09, 2017

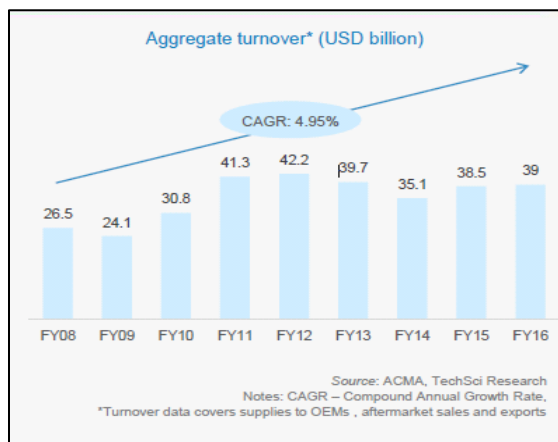
(Source: Auto component Industry in India, India Brand Equity Foundation www.ibef.org)

THE AUTO COMPONENTS MARKET IS SPLIT INTO SIX PRODUCT SEGMENTS:



(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

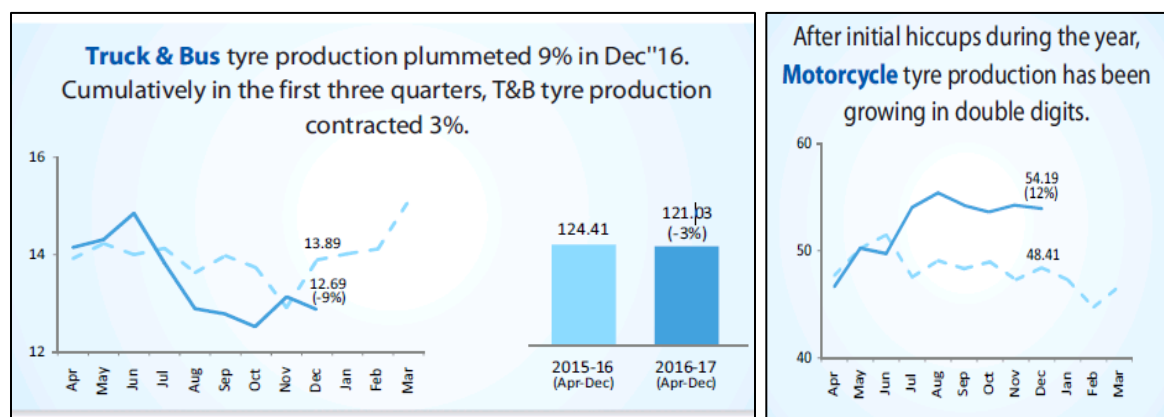
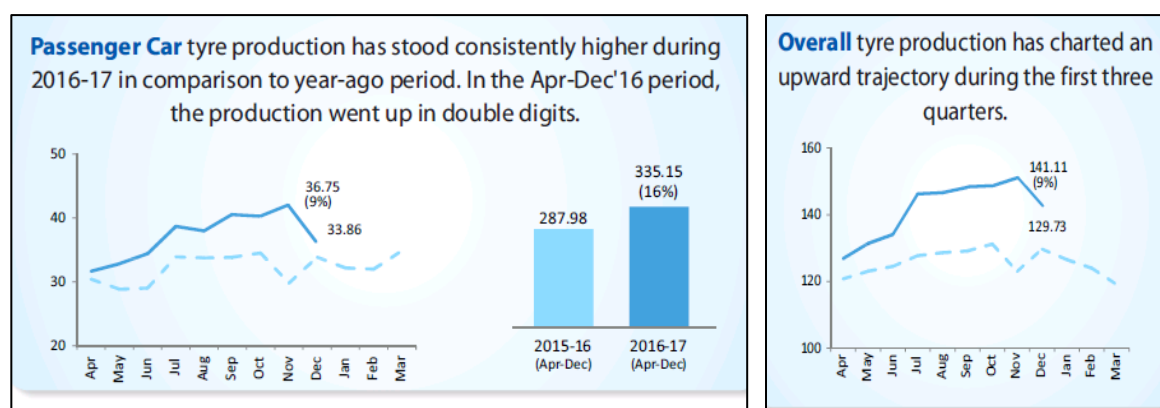
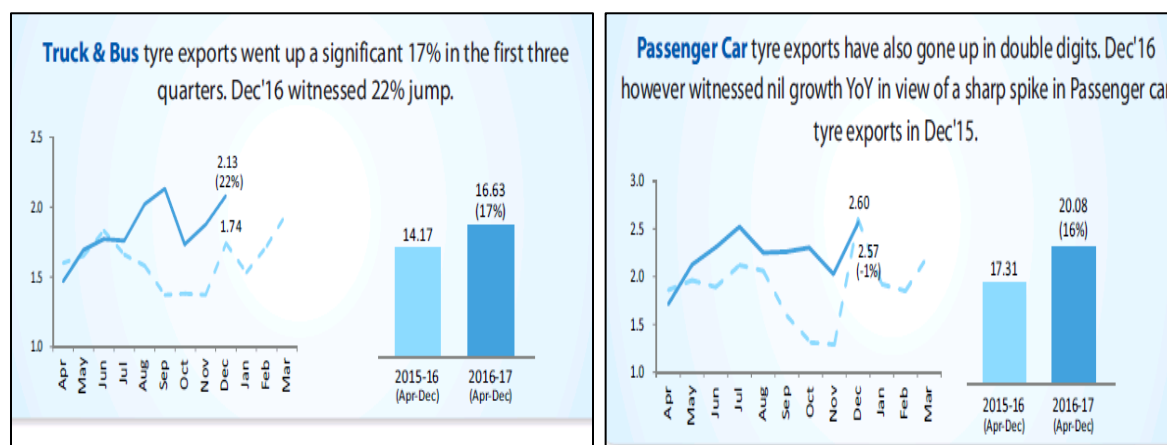
THE AUTO COMPONENTS SECTOR HAS RECORDED ROBUST GROWTH OVER THE YEARS



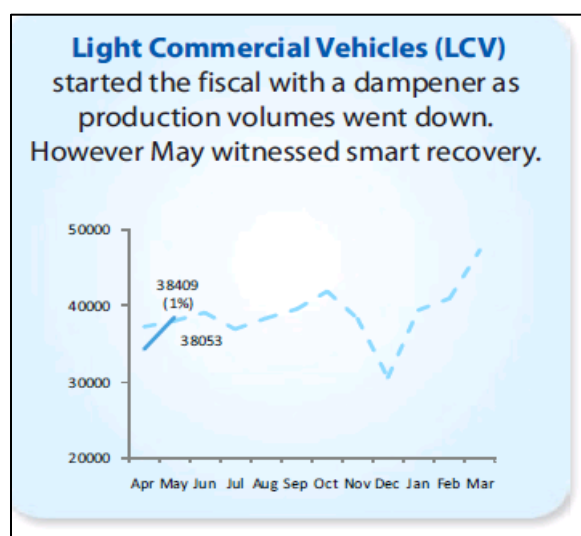
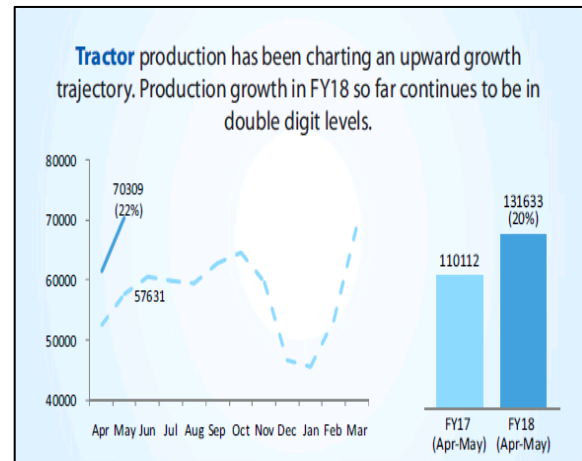
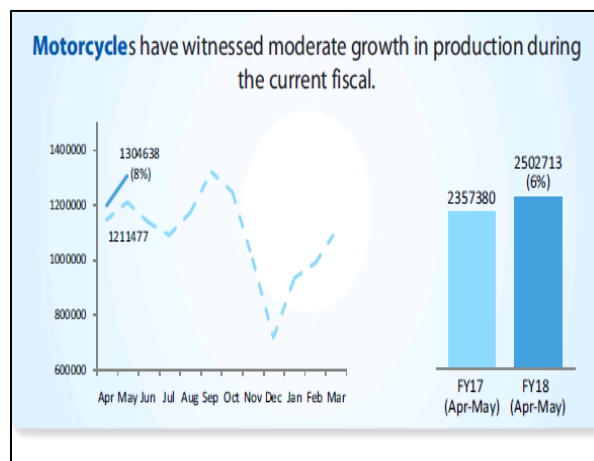
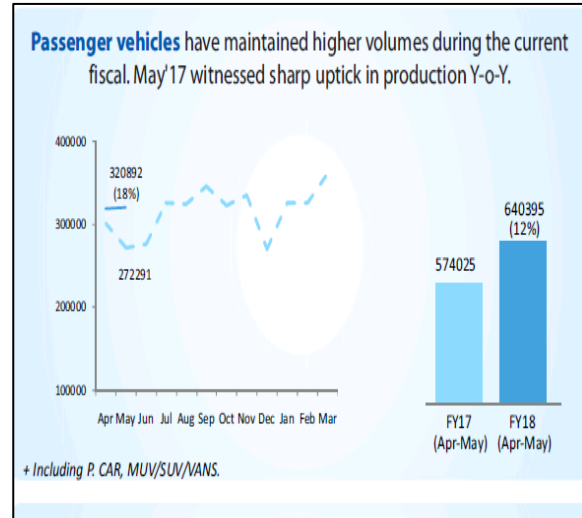
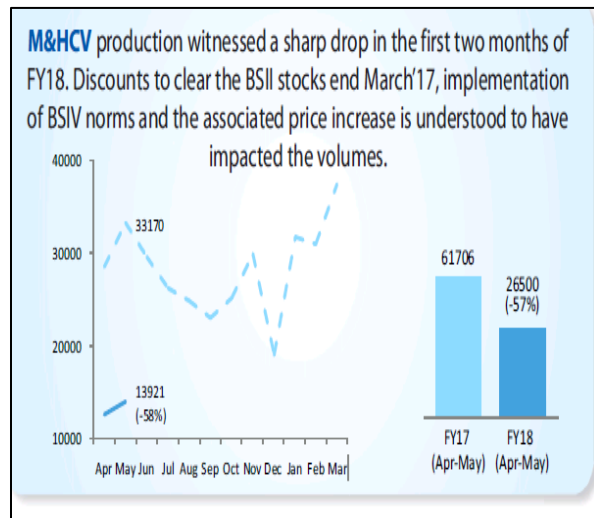
Revenues have raised from USD26.5 billion in FY08 to USD39 billion in FY16 at a CAGR of 4.95 per cent during FY08-16. The market size for auto component sector increased by 8.8 per cent reaching to USD39 billion in FY16 from USD38.5 billion in FY15.

As per Automobile Component Manufacturers Association (ACMA) forecasts, automobile component exports from India are expected to reach US\$70-billion by 2026 from US\$10.8-billion in FY15-16. The Indian auto component industry aims to achieve US\$200 billion in revenues by 2026.

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

STATISTICAL OVERVIEW OF INDIAN TYRE INDUSTRY
Tyre Production in India (April 2016 to December 2016 YoY Comparison):

Tyre Export in India (April 2016 to December 2016 YoY Comparison):

Tyre Exports – India (April 2016 – December 2016 & YoY Comparison)


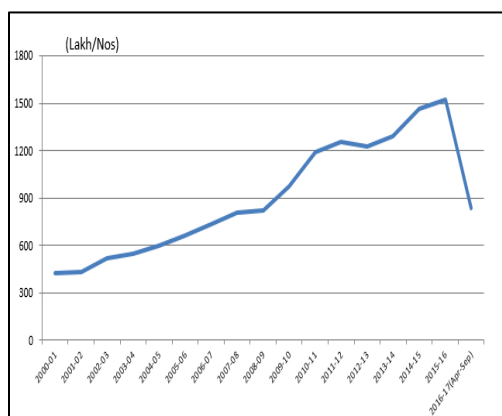
(Source: TRACTION – Newsletter of ATMA - Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

STATISTICAL OVERVIEW OF INDIAN VEHICLE INDUSTRY
Vehicle Production – India April- May (FY18) & YoY Comparison


(Source: TRACTION – Newsletter of ATMA - Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

TYRE INDUSTRY IN INDIA: STATISTICAL OVERVIEW

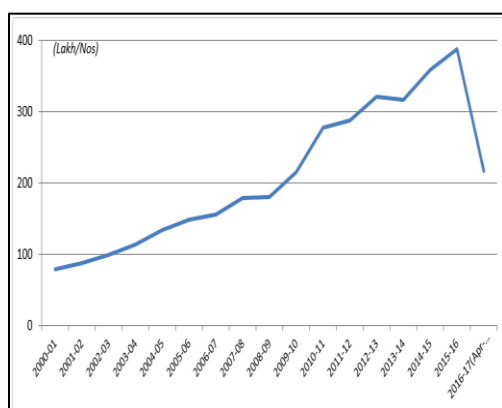
PRODUCTION & EXPORT TREND: TOTAL TYRE PRODUCTION IN INDIA



Year	(Lakh/ Nos)	% Change	Year	(Lakh/ Nos)	% Change
2000-01	21.08		2009-10	57.40	8%
2001-02	23.52	12%	2010-11	60.29	5%
2002-03	28.44	21%	2011-12	66.88	11%
2003-04	32.71	15%	2012-13	82.04	23%
2004-05	39.45	21%	2013-14	93.45	14%
2005-06	45.29	15%	2014-15	102.02	9%
2006-07	48.2	6%	2015-16	97.28	-5%
2007-08	53.19	10%	2016-17(Apr-Sep)	50.64	
2008-09	52.98	-0.4%			

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

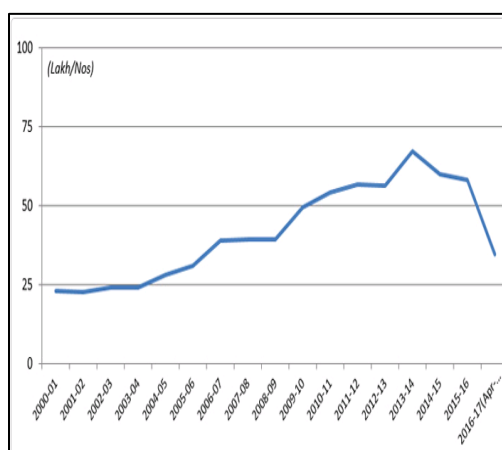
PASSENGER CAR (INCL. JEEP) TYRE PRODUCTION



Year	(Lakh/ Nos)	% Change	Year	(Lakh/ Nos)	% Change
2000-01	79.68		2009-10	214.49	19%
2001-02	87.28	10%	2010-11	277.01	29%
2002-03	99.28	14%	2011-12	287.36	4%
2003-04	113.99	15%	2012-13	320.75	12%
2004-05	134.24	18%	2013-14	316.66	-1%
2005-06	148.77	11%	2014-15	357.43	13%
2006-07	156.31	5%	2015-16	387.02	8%
2007-08	179.04	15%	2016-17(Apr-Sep)	216.16	
2008-09	180.39	1%			

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

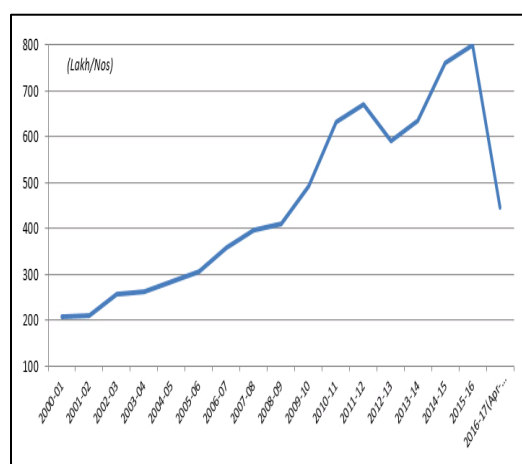
FARM/TRACTOR (INCLUDING FRONT, REAR AND TRAILER) TYRE PRODUCTION



Year	(Lakh/ Nos)	% Change	Year	(Lakh/ Nos)	% Change
2000-01	23.15		2009-10	49.23	26%
2001-02	22.55	-3%	2010-11	54.23	10%
2002-03	24.20	7%	2011-12	56.67	4%
2003-04	24.05	-1%	2012-13	56.31	-1%
2004-05	28.15	17%	2013-14	67.23	19%
2005-06	31.13	11%	2014-15	59.84	-11%
2006-07	38.73	24%	2015-16	58.07	-3%
2007-08	39.34	2%	2016-17(Apr-Sep)	34.69	
2008-09	39.15	-0.5%			

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

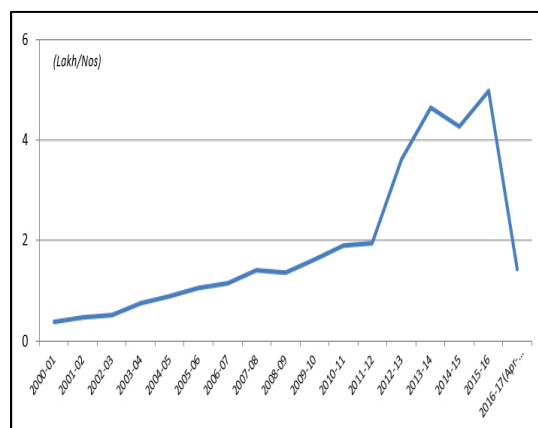
2/3 WHEELER TYRE PRODUCTION



Year	(Lakh/ Nos)	% Change	Year	(Lakh/ Nos)	% Change
2000-01	207.00		2009-10	492.20	20%
2001-02	209.57	1%	2010-11	632.58	29%
2002-03	257.14	23%	2011-12	670.51	6%
2003-04	261.3	2%	2012-13	590.85	-12%
2004-05	282.43	8%	2013-14	634.42	7%
2005-06	306.27	8%	2014-15	759.89	20%
2006-07	357.22	17%	2015-16	799.42	5%
2007-08	395.25	11%	2016-17 (Apr-Sep)	444.1	
2008-09	410.31	4%			

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

OTR TYRE PRODUCTION



Year	(Lakh/ Nos)	% Change	Year	(Lakh/ Nos)	% Change
2000-01	0.38		2009-10	1.61	18%
2001-02	0.46	21%	2010-11	1.91	19%
2002-03	0.51	11%	2011-12	1.96	3%
2003-04	0.74	45%	2012-13	3.62	85%
2004-05	0.89	20%	2013-14	4.66	29%
2005-06	1.06	19%	2014-15	4.27	-8%
2006-07	1.15	8%	2015-16	4.98	17%
2007-08	1.41	23%	2016-17 (Apr-Sep)	1.44	
2008-09	1.36	-4%			

(Source: Auto component Industry in India, Automotive Tyre Manufacturers' Association (ATMA) www.atmaindia.org)

TYRE INDUSTRY SEGMENTATION

The domestic tyre industry is in modernization phase and largely driven by demand and supply conditions, rather than government regulation as it was earlier. The domestic tyre industry can be classified on the basis of its design, markets and vehicle category, which have been evolved over the years.

Vehicles Category wise:

The domestic tyre industry can be classified in terms of types of vehicles in which it is used. The category comprises of tyres used in T&B, LCVs, tractors, OTR and ADVs. Since these tyres are used for commercial usages they are sturdier, bigger and heavier than personal tyre category. In the overall sales of tyres in unit terms, the commercial segment contributed about 19% in 2015-16 while the remaining came from sales of personal vehicles (passenger vehicles and Two & Three wheelers). Under personal segment, two & three wheelers constituted about 66% sales while the passenger cars made up for the balance sales.

T&B dominates overall commercial usage segment with around 57% share in the units sold in FY16. This is followed by LCV segment with a share of 28% during the year. Tractor front and rear tyre segment constitute around 9% & 7% respectively during the same period.

Market wise:

Tyre demand originates from two end-user categories, i.e., OEMs and the replacement segment. Consumption by OEMs is dependent on new automobile sales trend while the replacement segment is linked to usage patterns and replacement cycles. Demand from the replacement segment dominates the Indian tyre market contributing about 56% of demand, in terms of units. The major reason for high replacement share is due to the fact that the number of registered vehicles/annual sales remains at about 10x at close to 20 crore registered vehicles (industry estimates) vis-à-vis ~2.4 crore annual vehicle sales.

The export category is about 18% of the total units sold in the domestic market. The industry registered sales of around 151,026 (000 units) in the domestic market while the total exports of tyres during the year was 26,699 (000 units) in 2015-16. Therefore, the total tyre sales during the year was 177,724 (000 units) registering a marginal growth of about 4% y-o-y.

Technical deviation: Design

The body of a tyre can be classified into two types i.e. cross-ply tyres and radial tyre. A cross-ply tyre has a sidewall which reinforces plies running diagonally from the bead towards the tread - each layer of textile at a different angle to its adjacent layer. These angles determine the stiffness of the tyre. Radial tyre cords casing run perpendicular to the direction of travel. Viewed from the side, the cords run radially - giving the tyre its name. The weakness of this arrangement is that the cords cannot sufficiently absorb lateral forces when cornering or circumferential forces when accelerating. To compensate this, the cords must be supported or complemented by other structural elements - steel belts etc.

Cross-ply is an old manufacturing technology and has been almost discarded by developed economies like USA and Europe long back. However, in India it is still dominant. Some of the key attributes of cross-ply tyres which make it popular in India are its adaptability on poor road condition, suitability in case of overloading of vehicle and cheaper price. However, its penetration levels have witnessed gradual decrease in the last few years owing to increasing awareness about the inherent advantages of radial tyres.

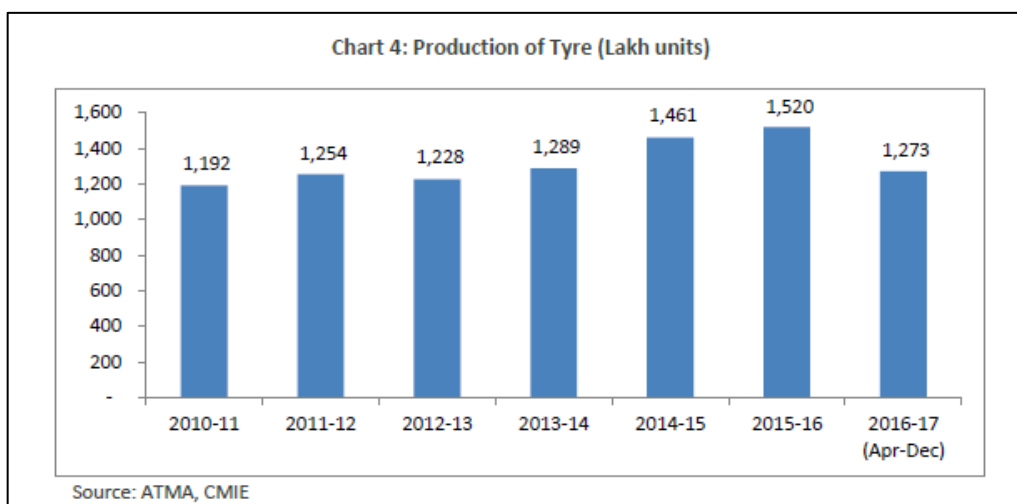
Acceptance of radial tyres, which are of superior quality and have a longer life-cycle, as compared to cross-ply tyres, has been continuously increasing in the Indian market. However because of their higher price and lower adaptability in bad road conditions, these tyres are less preferred for vehicles with commercial usage like trucks, buses, LCVs, tractors etc. However, growing awareness about the advantages of radial tyres has led increasing proportion of vehicle operators across all the vehicle categories to migrate towards radial tyres.

Over the last few years, India has seen increased adoption of radial tyre technology. Despite almost 100% radicalisation in the passenger car tyre segment, in the commercial vehicle and two-wheeler segments, India still has a lot of potential for growth. The increase in research and development by domestic players to make cost-effective radial tyres, coupled with growing low-cost Chinese imports, the process of radicalisation of commercial vehicle and two-wheeler segments is expected to happen at a faster rate.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

TYRE PRODUCTION IN INDIA

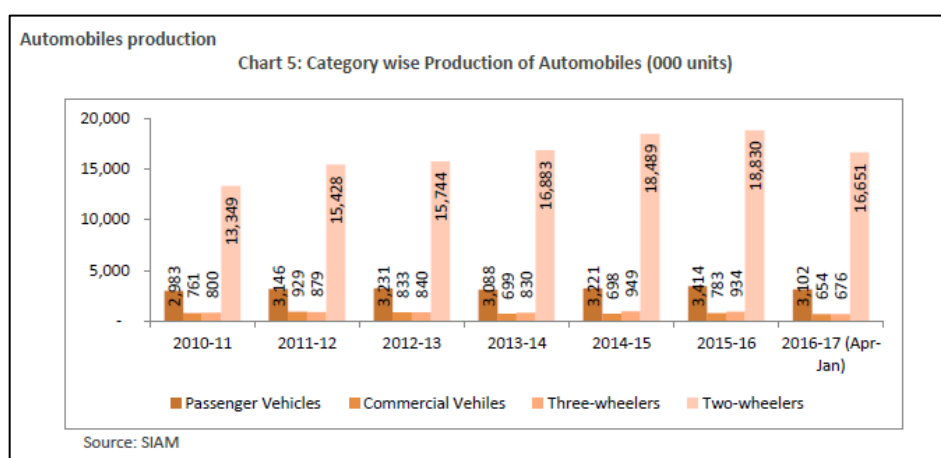
Indian tyre industry is highly competitive with the presence of a large number of global and Indian auto-companies. However, top 10 companies account for about 80% of the market share. Tyre demand is directly proportional to the automobiles demand. Therefore, demand swings in the automobiles have an impact on the demand for tyres. India's annual automobiles production registered a sluggish growth of 2.6% y-o-y in 2015-16. This led to decline in demand for tyres as well during the year. Tyres production (in volume terms) increased only marginally by about 4% in 2015-16 after increasing by about 13% in the preceding year.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Category wise, two & three wheeler tyres have a share of about 53% in the overall tyre production. This is followed by passenger vehicles and commercial vehicles with a share of about 26% and 17% respectively. Tractor segment constitutes only about 4% of the total tyre produced in the country. Off-the-road and other tyres constitute minute shares of less than 1% of the industry production. A similar share trend is witnessed in the sales of tyres registered in the country.

In 2016-17 (Apr-Dec), tyre production increased by 11.9% y-o-y on back of increased OEM demand as well as the replacement market. PV production grew by about 12%, Tractors by about 17%, CVs and Two and Three wheelers production by about 4% and 5.5% respectively during the same period. However, cheaper imports from China and slower exports pose a threat to this growth in production of tyres.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

In 2015-16, India's annual production stood at 23,960,940 vehicles (including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle) as against 23,358,047 in 2014-15, registering a sluggish growth of 2.6% y-o-y. Two-wheelers have dominated the production volumes of the automobile industry over the years. Over the past 4 years, Two-wheeler production share in the overall automobile production has remained constant at around 80%. This is followed by passenger vehicles having a share of 14%. Productions of commercial vehicles and three-wheelers have about 3% share each in the automobile industry.

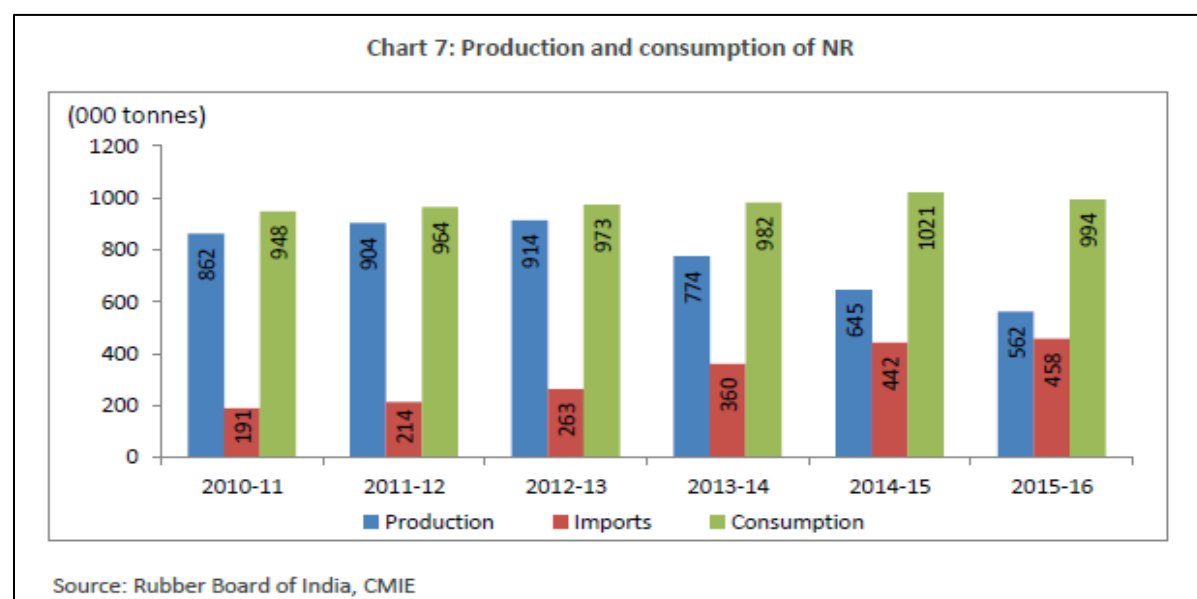
Two & Three wheelers together comprising about 83% in the overall automobile production in 2015-16, demands about 53% of the total tyre production volumes, followed by passenger vehicles segment that accounts for about 26% share of the total tyre production volumes.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Raw Material

Raw material cost forms the largest cost head in the tyre industry accounting for about 65-70% of the total. The main raw materials used to manufacture tyres are natural rubber, poly butadiene rubber (PBR), styrene butadiene rubber (SBR) and nylon tyre cord fabric. All these raw materials impart different properties, which are combined to develop tyres with particular characteristics. Rubber including (natural and synthetic), nylon tyre cord fabric (NTC) and carbon black constitute a significant portion i.e. ~60-65% of the overall raw material cost of the industry. Hence any change in the prices of these materials impact the overall industry's profitability. However, since FY13 the rubber prices witnessed a correction thereby reducing the overall raw material cost as a percentage of total expenditure to 68% on aggregate basis in FY16 as compared to 80% in FY11. However, the price of rubber is prone to fluctuations and in 2016-17 (Apr-Feb), domestic and international rubber prices increased by about 28% after declining by 24% and 15% y-o-y for two consecutive years. The demand-supply gap in production and consumption of rubber in the country remains the reason for higher natural rubber prices in the domestic market and competitive prices in the international market leads to high imports from the international market. With high rubber prices in the domestic market on account of lower production, imports of rubber has increased over the past few years to about 45% in the 2015-16 from about 18% in 2010-11.

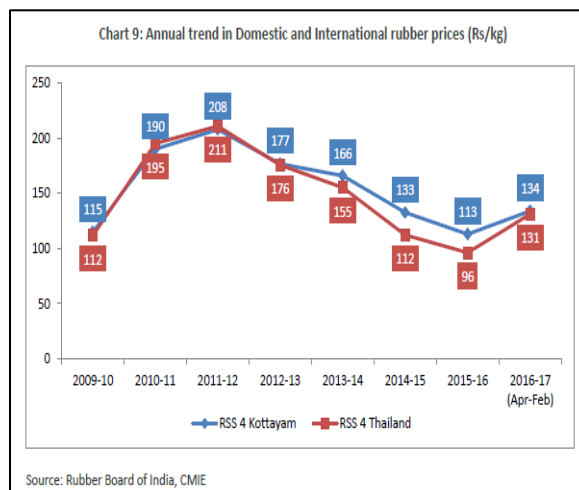
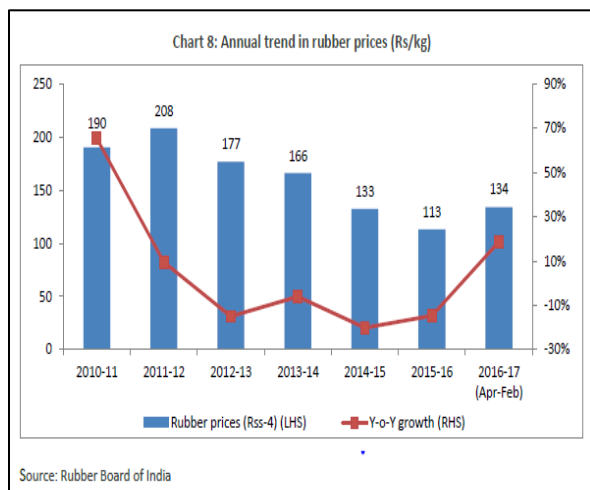
Rubber



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Rubber is a major component in manufacturing of a tyre. There are three categories of rubber used in the manufacturing process viz natural rubber (NR), styrene butadiene rubber (SBR) and poly butadiene rubber (PBR).

Natural rubber is an elastic hydrocarbon polymer that is originated from milky colloidal suspension or latex found in the sap of some plant. Natural rubber forms around 70% of the total rubber content, which is a sharp contrast of its usage in the developed markets like USA, Europe and Japan, where it is estimated to be around 35-40%. One of the primary reasons for more usage of natural rubber in India is its local availability with India being one of the largest producers in the world. In addition to this, natural rubber absorbs greater amount of heat and is more adaptable to poor road condition and overloading compared to synthetic rubber.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

Styrene Butadiene Rubber (SBR) is a synthetic rubber which imparts abrasion and fatigue resistance in tyres and is used in blend with natural rubber and accounts for about 5-7% of the total raw materials costs. The content of SBR is higher in radial tyres than cross-ply tyres. However due to its poor tear strength especially at high temperatures its usage is observed to be comparatively lower in heavy duty truck tyres. In India, the demand for SBR has picked during past few years as penetration of radial tyres in passenger car industry has increased considerably. Non-tyre applications of SBR include footwear industry, car mats, battery containers, gaskets, toys etc.

Apcotex is the only major manufacturer of SBR in India. However, the grades SBR S1712 and S1502 which are used in tyre manufacturing are not manufactured domestically. Hence total demand of SBR for the tyre industry is met through imports from Thailand, Indonesia and Vietnam.

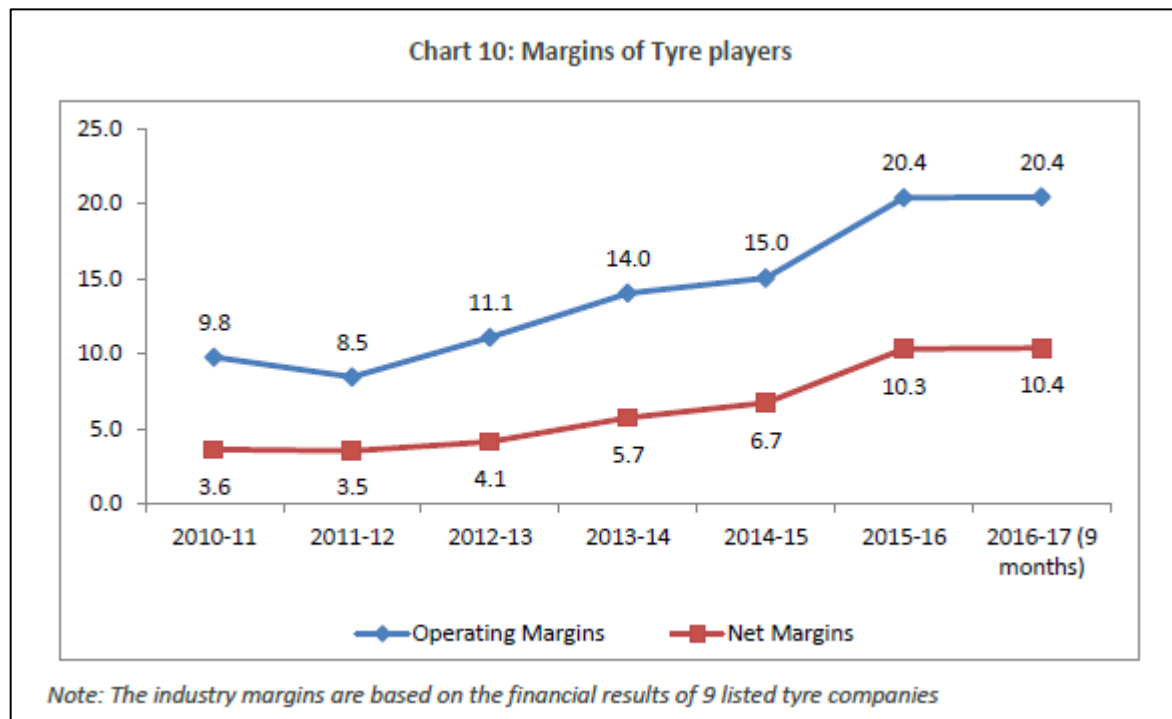
Poly Butadiene Rubber (PBR) is the other variant of synthetic rubber used in the tyre industry which accounts for about 5% of the total raw material cost of tyre manufacturers. It is used as tyre treads, sidewalls, carcass and bead fillers which gives tyres increased mileage and flex cracking properties. Reliance Industries is the sole producer of PBR in the country.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

FINANCIAL PERFORMANCE OF TYRE PLAYERS

The top 10 players account for about 80% market share in the domestic tyre industry. Raw materials prices impact the margins of players as the raw material cost accounts for about 65-70% of total. Raw material prices have declined on a y-o-y basis over the past two years. As a result, tyre players have been able to report strong growth in the margins. In 2016-17, with surge in rubber costs, overall raw material costs are expected to increase. During April 2016 to Feb 2017 period, domestic natural rubber prices have increased by a sharp 19% y-o-y after declining for two consecutive years. This led to a marginal decline of 1.2% in aggregate operating profits of the 9 companies for 9 month period in

2016-17. However, despite this increase in prices of raw materials and marginal decline in operating profits, the tyre industry's operating profitability remained range bound during the Apr-Dec 2016-17 on account of about 1.6% increase in sales during the period. Also, with the significant capex in the industry, the industry's aggregate debt increased by about 7% to reach Rs 80.30 billion in 2015-16. However, with higher operating profit, the interest coverage of the industry has improved to 11.5 times in FY16 from about 7 times in FY15.



(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

NOTABLE TRENDS IN THE INDIAN AUTO COMPONENTS SECTOR:

Global components sourcing hub

Major global OEMs have made India a component sourcing hub for their global operations. Several global Tier-I suppliers have also announced plans to increase procurement from their Indian subsidiaries. India is also emerging as a sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units in the country. For companies like Ford, Fiat, Suzuki & General Motors, India has established itself as a global hub for small engines

Improving product development capabilities

Increased investments in R&D operations & laboratories, which are being set up to conduct activities such as analysis, simulation & engineering animations. The growth of global OEM sourcing from India & the increased indigenisation of global OEMs is turning the country into a preferred designing & manufacturing base. ACT established to offer technical services to ACMA members for enhancing process & quality abilities through various cluster programmes

Inorganic route to expansion

Mahindra Group agreed to form a 60:40 joint venture by acquiring Italy based car designer firm, Pininfarina SPA. In February 2017, with an investment of US\$ 29.74 million, Pricol inaugurated a 6.58 acres factory in Pune, to develop infrastructure & cater the growing electronic cluster business for off road, commercial vehicles, 2 wheelers, etc. Ansysco Anand collaborated with Japan's Seiken Chemical to sell coolant & brake fluids in Japan. At a cost of US\$14 million, Bharat Forge acquired US based - WFT & PMT Holding Inc., for expanding their product portfolio in automotive and other industrial segments. In May 2017, Rockman Industries Ltd, a Gurugram-based auto components

manufacturer, which acquired Moldex Composites in January, has set up an office in the U.K. through which Moldex will be expand into the U.S. & Europe.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

FAVOURABLE POLICY MEASURES AIDING GROWTH

Auto Policy 2002

Automatic approval for 100 per cent foreign equity investment in auto component manufacturing facilities. Manufacturing & imports are exempt from licensing & approvals.

NATRiP

Set up at a total cost of USD388.5 million to enable the industry to adopt & implement global performance standards. Focus on providing low-cost manufacturing & product development solutions.

Department of Heavy Industries & Public Enterprises

Created a USD200 million fund to modernise the auto components industry by providing an interest subsidy on loans & investment in new plants & equipment. Provided export benefits to intermediate suppliers of auto components against the Duty Free Replenishment Certificate (DFRC).

FAME (April, 2015)

Planning to implement Faster Adoption & Manufacturing of Electric Hybrid Vehicles (FAME) till 2020 which would cover all vehicle segments, all forms of hybrid & pure electric vehicles.

Automotive Mission Plan 2016-26 (AMP 2026)

AMP 2026 targets a 4-fold growth in the automobiles sector in India which includes the manufacturers of automobiles, auto components & tractor industry over the next 10 years. It is expected to generate an additional employment of 65 million.

Union Budget 2017-18

The Union Budget 2017-18 has tried to boost skill development by announcing to increase the establishment of skill centers by ten folds. A reduction in tax on Liquefied Natural Gas (LNG) from 5 per cent to 2.5 per cent was also announced under the union budget.

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

AUTOMOBILE INDUSTRY CONCERNS

The Automotive Tyre Manufacturers Association (ATMA) has asked the Ministry of Commerce for duty free import of natural rubber equivalent to deficit in domestic production. The request by the body came after the Rubber Board projected domestic natural rubber deficit of 3.4 lakh tonne during the year 2017-18.

Domestic production of natural rubber continues to be far below its requirement. Lately, sharp volatility in natural rubber prices has led to further crunch in the domestic markets. In the last 2 months, natural rubber prices have zoomed a significant 30% and growers are holding back stock in the hope of a continued rally in the prices. With rise in prices and high import duty, imports have become un-viable.

Tyre industry consumes 65-70% of the natural rubber produced in the country. However, import of natural rubber in India attracts 25% duty which is highest in the world. Higher import duties will hurt the margins of tyre manufacturers as they will be left with no option other than importing natural rubber in case of a deficit in production. Manufacturers are also worried about the rampant dumping of cheap Chinese radial tyres in the domestic market.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

OUTLOOK OF THE AUTOMOBILE INDUSTRY

Table 2: Growth in automobile sales

Category	Apr-Dec FY17 (Actual)	FY17 E*	FY18 E*
CVs	4.5%	5-7%	12-13%
PVs	10.3%	10-12%	12-13%
Two & Three wheelers	6.2%	8-10%	10-12%
Tractors	16.8%	16-18%	18-20%

Tyre OEM segment is expected to witness growth in 2016-17 largely driven by the buoyancy witnessed in automobile sales. Post demonetisation, growth estimation of two-wheelers and small cars has been hit slightly. However, lower cost of ownership of auto vehicles triggered by series of interest rate cuts, push on manufacturing and infrastructure segment by the government combined with lower fuel prices have resulted in recovery of auto sector. Tyre industry stands to benefit from this turnaround in OEM demand and stable replacement demand. However, tyre manufacturers supplying to CV, PV and tractors segment are expected to benefit the most in the near term as the outlook for these auto segments in the Indian market is relatively more positive than TW.

Capacity utilisation levels for manufacturing TBRs have come down to 60-65% from 80-85% in couple of years ago due to increasing dumping of TBR tyres from China. Also, the tyres and tubes industry was expected to witness completion of about 5 projects worth Rs 45.9 billion in 2016-17 adding an incremental capacity of about 13.7 million units to the industry. In the next two years (FY18 and FY19) about Rs 70 billion worth projects are to be completed adding another 12 million unit capacity to the industry. Going forward, significant capex will put pressure on the utilization levels and hamper the operational margins of the players.

Over the past few years, the trend in tyre production and sales for OEM market has been in line with the automobile sales for the period i.e., production of tyres has been about 1.5 times that of a vehicle produced. While the demand from replacement market has comparatively been higher. Sales are expected to grow in the range of 10-11% per annum during 2017-18. Both, domestic and export demand for tyres is expected to remain robust during this period on the back of strong growth prospects for Auto OEMs as well as the stable replacement market.

(Source: Tyre Industry: Wheeling around April 2017 CARE Ratings - Credit Analysis & Research Limited www.careratings.com)

AUTO COMPONENTS: ADVANTAGE INDIA

Robust Demand

Growing working population & expanding middle class are expected to remain key demand drivers. India is set to break into the league of top 5 vehicle producing nations. Reduction in excise duties in motor vehicles sector to spur the demand for auto components

Export Opportunities

India is emerging as global hub for auto component sourcing. Relative to competitors, India is geographically closer to key automotive markets like the Middle East & Europe

Competitive advantages

A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe & Latin America. Presence of a large pool of skilled & semi-skilled workforce amidst a strong educational system. 3rd largest steel producer globally hence a cost advantage

Policy support

Continued policy support in the form of Auto Policy 2002 In September 2015, Automotive Mission Plan 2016-26 was unveiled which targets a fourfold growth for the sector. Strong support for R&D & product development by establishing NATRIP centers. 100 per cent FDI allowed under automatic route for auto component sector

FY 16 Market size: USD39 billion

FY 21E Market size: USD115 billion

(Source: Auto Components Industry in India, India Brand Equity Foundation www.ibef.org)

OUR BUSINESS

In this section, unless otherwise stated, references to “Company” or to “we”, “us” and “our” refers to Innovative Tyres and Tubes Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW

Incorporated in the year 1995, we are a tyre and tube manufacturing Company, manufacturing & marketing our products under our flagship brand “Innovative”. We started our journey with the acquisition of a greenfield project situated at Halol in auction from Gujarat State Financial Corporation and State Bank of Bikaner & Jaipur vide agreement dated December 15, 1995. Thereafter we revamped the closed company to our tube manufacturing facility at this property and started manufacturing of tubes in the year 1996. Within a short time after our inception, we were able to successfully get our facility approved by CEAT Limited for carrying out job work activities for them.

As a result of strong business relationship with CEAT Limited, taking the relationship to the next level we set up a greenfield tyre project as a major outsourcing unit in 2003 in a close vicinity of the existing first tube plant in Halol only. While our tube manufacturing facility is spread over 11,200 sq. mtrs, our tyre manufacturing facility occupies an area of approximately 27,833 sq. mtrs. We have an installed production capacity of 12,000 MT of tubes and tyres. Taking a leaf of learning of tyre manufacturing with two-three-wheeler tyre segment, we graduated over a period of 15 years into manufacturing of practically all segments of Nylon Tyres. Today our product range covers all highway sizes, Off The Road (OTR) highway sizes, agriculture and industrial tyres. We also have a factory outlet for display of our products at Vadodara. Our Company have flexibility in our manufacturing facility to address market requirements. Hence product wise revenue data is not maintained by our Company. However, the product wise quantity sold during FY 2016-17 is as under:-

Segment	Total Volume
Two/three wheeler tyres	3,718 MT
Light Commercial Vehicle	2343 MT
Truck Segment	3013 MT
Agriculture and Off the Road Tyres segment	669 MT

Currently our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited For the year ended March 31, 2017, our revenue from export operations constituted 44% (including deemed export) of our total revenue from operations. We have a widespread customer base with our domestic customer base situated in most of the regions of the country and our international customers situated across varied countries covering Middle East, South East Asia, Africa, Latin American Countries etc. We have also been undertaking job work activity for CEAT for more than two decades.

Our Company is promoted by Mukesh Desai and Pradeep Kothari. While our promoter Mukesh Desai has been associated with our Company since its inception, our other Promoter Pradeep Kothari became a part of our Company in 2014. Our Promoter Mukesh Desai is having engineering background with more than three decades experience in techno commercial management experience in multi-product, multi-location project installation and operation. Our Promoter Pradeep Kothari has experience of multinational companys’ representation by way of trading, and managing manufacturing. He looks after procurement, finance and also finalizing strategy of the Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.

Customer centricity and quality consciousness have been our major strengths. We believe in a customer centric business model and endeavour to supply customised products to meet our customer’s

demands. Further we have also been accredited with various quality certifications such as ISO, BPPT issued by Indonesia, Standards Organisation of Nigeria (SON) and PNS certification issued by Bureau of Philippine Standards of the Department of Trade and Industry issued, Compliance statement issued by RDW, Netherlands, Bureau of India Standards. Needless to say, our company (both the tyre and tube plants) are BIS (ISI required for Tyres & Tubes) approved and almost all required sizes has got BIS product certification, which is mandatory for manufacturing and marketing Tyres & Tubes in India. We have also been awarded with “PAR Excellence” award by National Convention on Quality Concepts organised by Quality Circle Forum of India.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 10,301.63 lakhs to Rs. 13,253.77 lakhs, representing a CAGR of 6.69% ii) our EBITDA has shown growth from Rs. 961.51 lakhs to Rs. 1438.20 lakhs, representing a CAGR of 10.59% iii) our profit after tax has shown growth from Rs. 77.51 lakhs to Rs. 407.85 lakhs, representing a CAGR of 51.45% and iv) our Return on networth has shown a growth from 3.18% to 8.89%

OUR COMPETITIVE STRENGTHS

1. *Experienced and dedicated management team*

Our Promoter Mukesh Desai is having engineering background with more than three decades experience in techno commercial management experience in multi-product, multi-location project installation and operation Further our Promoter Pradeep Kothari has enlightened our Company with innovative strategic initiatives. Their experience and reach has helped us maintain cordial relations with customers, expand our geographical presence and managed our growth levels. Further our Company operates with professionally managed set up with qualified and experienced departmental heads. We have a dedicated management team with several years of industry experience in their respective domain of production, sales, marketing and finance etc.

2. *Wide product range and customised product offering*

We are currently dealing into tyres and tubes. We have a wide range of tyre products for various types of vehicle segments. At present, we have over 100 products / variants. We are supplying highway sizes, Off The Road (OTR) highway sizes, agriculture and industrial tyres. We believe in a customer centric business model and endeavour to supply customised products to meet our customer's demands. We design the products as per customer's specifications and requirements of the clients. Customer satisfaction has enabled us to expand our business operations and widen our customer base.

3. *Diverse Customer Base*

We benefit from a diverse geographic spread of operations with currently our Company exporting to around 27 countries. Domestically also we are supplying products on PAN India basis. Further since we are manufacturing tyres for all type of vehicle segments, we have been able to address requirements of different type of OEMs and dealers. This has reduced our dependency on single market or vehicle segment. We have also been carrying out job work activities for CEAT Limited for the past two decades which serves as an independent business model for us.

4. *Qualitative Products*

We believe that quality plays a prime role in growth of any organisation. Our Company believes in qualitative manufacturing and adheres to various qualitative standards. Our products undergo quality check at various levels of production to ensure that any quality defects or product errors are rectified on real time basis. We also have an in-house laboratory for conducting various tests for further improvements in our products. Further we have also been accredited with various quality certifications such as ISO, BPPT issued by Indonesia, Standards Organisation of Nigeria (SON) and PNS certification issued by Bureau of Philippine Standards of the Department of Trade and Industry issued, Compliance statement

issued by RDW, Netherlands, Bureau of India Standards. Needless to say, our company (both the tyre and tube plants) are BIS (ISI required for Tyres & Tubes) approved and almost all required sizes has got BIS product certification, which is mandatory for manufacturing and marketing Tyres & Tubes in India.

5. *Locational advantage:*

Our unit is located into the close vicinity of Halol and is having a good connectivity. Our manufacturing units are located in Halol. Halol is a Taluka in Panchmahal District of Gujarat State. Vadodara City & Godhra City, are the nearby Cities to Halol. The Inland Container Depot Dasrath is approx. 40 kms while Dahej seaport is approx. 210 km and JNPT & mundra port is approx 485 kms from the Unit. Vadodara Airport which is an international airport connected to the worldwide destinations is merely 32 kms from Halol. Besides this the unit is also well connected with Indian railways, Champaner Railway Station is approx. 3 kms from our unit. Derol railway station is approx. 5 kms. Also Vadodara Jn Railway Station is major railway station 35 KM near to Halol.

OUR BUSINESS STRATEGIES

1. *Expand our production capacity*

Currently we have combined production capacity of Tyres and Tubes of 12,000 MT p.a. We intend to expand our manufacturing capacity by 8,000 tonnes p.a., primarily in the area of higher sizes of tyres in the category of off The Road (OTR) highway, Agricultural and industrial segments. Besides a primary facility of Radial Agricultural Tyres and Tubes, We aim to enhance the infrastructure, utility, testing facility with automation in both the manufacturing units. In addition, we also intend to set up a development facility cum R&D Centre for supporting the new products and in-house testing facility. This will facilitate in arranging few highway radial sizes by outsourcing model to our existing customers. Through our focused efforts to continue to expand our manufacturing capacity, we believe that we shall be well placed to meet the emerging demand in the Indian tyre market and our target global markets. For details on expansion of our manufacturing capacity, please refer the chapter titled “Objects of the Issue” beginning on page 104 of the Draft Red Herring Prospectus.

2. *Expand our product base by introducing new products and product range*

We intend to continue to invest in developing new products for both the domestic and international market. We aim to venture into radial tyres manufacturing for agricultural sector as the Indian market is witnessing a shift from nylon tyres. We also intend to trade in radial tyres. At present, we have over 100 products / variants. We aim to expand our product range by developing new variants as per our customers’ requirements. Through new product launches we seek to build our position as an innovative player in the OEM market.

3. *Grow our international operations*

At present, we are exporting to around 49 countries. For the year ended March 31, 2017 our export revenue contributed to 44% (including deemed export) of our total revenue from operations. We would continue to focus on key international clusters. We seek to participate in various international exhibitions and aim to increase our visibility and expand our customer base and operations.

4. *Widen our customer base*

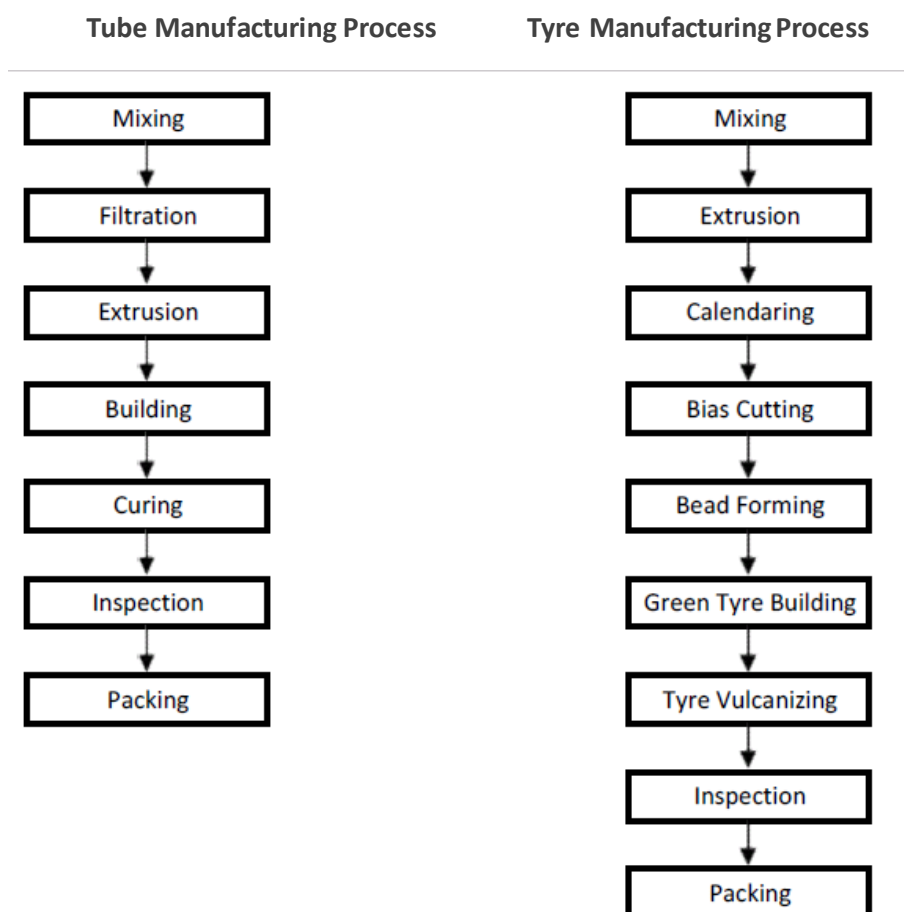
We will continue to enhance our OEM network and work closely with our OEM customers to develop new products for their vehicles and for marketing and branding. We further intend to reach out to more dealers and distributors so as to widen our sales network. Our strategy is to widen our customer base in domestic and international market by introducing new quality products and enhanced product range.

5. *Continue to improve operating efficiencies through technology enhancements*

We continue to further develop our technology systems to increase asset productivity, operating efficiencies and strengthen our competitive position. We believe that our in-house technology capabilities will continue to play a key role in effectively managing and expanding our operations, maintain strict operational and fiscal controls and continue to enhance customer service levels. We intend to continue to invest in our in-house technology capabilities to develop customized systems and processes to ensure effective management control. We continue to focus on further strengthening our operational and fiscal controls.

OUR MANUFACTURING PROCESS

MANUFACTURING PROCESS



Tube Manufacturing:-

1. Raw Materials :

The company sources its raw materials from suppliers in India as well as through imports. We believe that this helps us to reduce our dependence on few large vendors and thereby minimize risks of supply disruption and price.

2. Mixing process

The raw material is dumped into a mixer which is heated to obtain a rubber sheet which is usually kept in roll form. The roll form of rubber is applied with talcum powder so that it does not get stick to each other and it is kept idle before moving to next stage. Mixing of raw materials is one of the important stage in manufacturing of tubes and the output product is primarily based on this stage. The roll form of rubber sheet is then placed between two big rollers which heats the rubber and mix the rubber again and forms a different sheet.

3. Tube Extrusion

The rubber sheet is then sent to the extrusion process. Depending on the size of the tube to be manufactured, the rubber sheet is weighed and sent to extruder machine for further processing and cutting into different lengths or kept in a rack which can be used afterwards. At this stage, the rubber is quite heated, so it required to be cooled down before processing for further stage. This is done through a chain of water shower along with dip in solution which helps the tube to cool down.

4. Splicing process

The splicing machine helps to cut both the ends of the tube with the help of a blade. After cutting of the edges of the tube to the desired length, the machine pushes both the ends so as to stick with each other and finally the tube is translated in a circular shape. Post this, the valve is affixed on the tube with the help of valve fixing machine and the tubes are kept under the rack for drying.

5. Curing process

As per customer requirements, the tubes are then placed in moulds of different sizes. To strengthen the tubes, the same are heated in moulds. After the heating process, the tubes are cooled by the curing machine and kept ready for inspection. Tubes once inspected are ready for packing and dispatch.

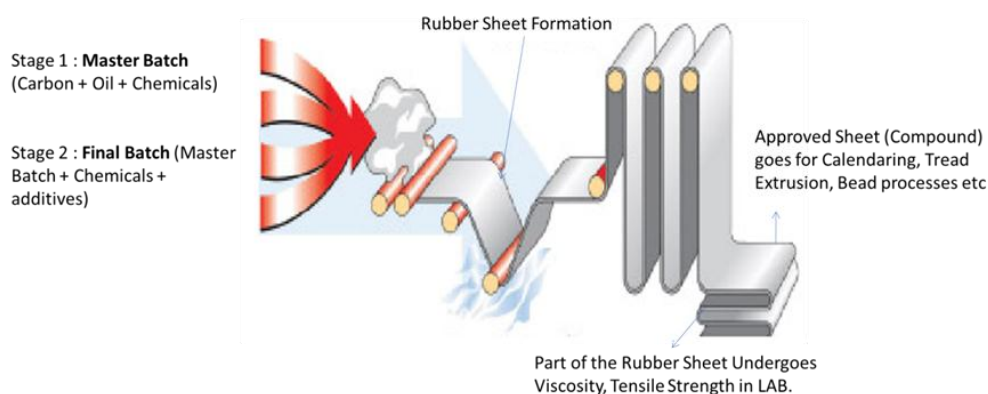
TYRE MANUFACTURING PROCESS

1. Raw Material

The company sources its raw materials from suppliers in India as well as through imports. It believes that this helps them reduce our dependence on few large vendors and thereby minimize risks of supply disruption and price.

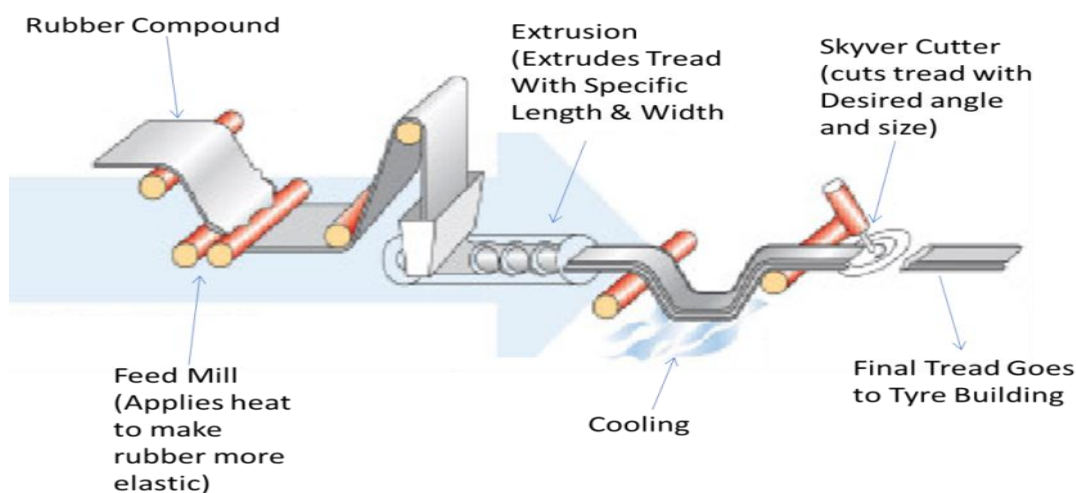
2. Mixing Process

The process begins with the mixing process wherein raw material according to the recipe is used. The raw material is heated in the mixer and output is a rubber sheet which is called as master batch. In the process of making master batch, there is use of only those materials which are non-reactive for the desired output. Further to make the master batch more appropriate for further manufacturing process we are required to process the master batch with chemicals like sulphur and other additives. A part of the rubber sheet undergoes testing. Our Company has separate department for testing the compound obtained from the mixing process to test the viscosity and tensile strengths. If at all there is any variation in the output obtained and the standard requirement, then that particular batch is tagged as not usable for further process otherwise it is tagged OK and used for further process. The graphical representation of the same is below:



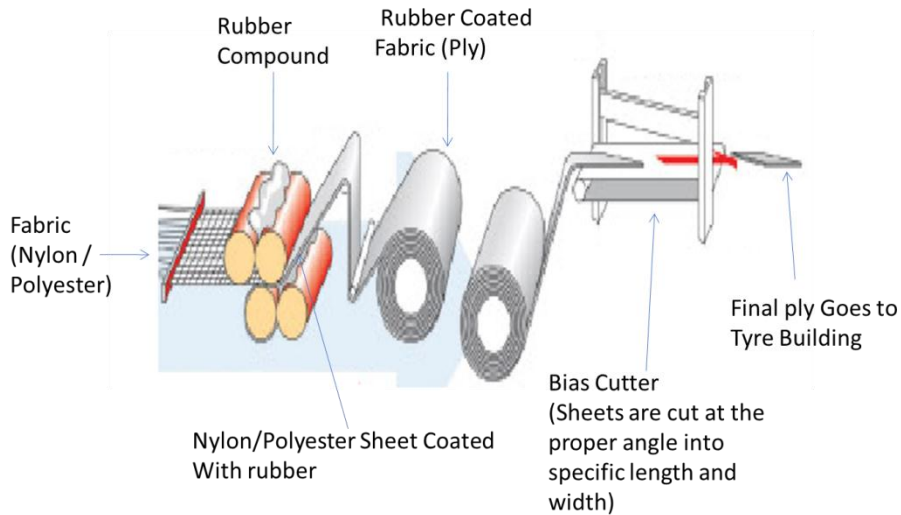
3. Extrusion Process

The output obtained from rubber compound is used in the extrusion process. In the extrusion process the rubber compound is passed through the feed mill which heats & presses the rubber sheet to improve the elasticity. Further, heated rubber compound i.e. tread is extruded in the size as per the requirement of the final product. As rubber is heated at high degree in extrusion process to cool it is passed through a cooling conveyor. Skyver cutter equipment is used to cut the tread in the desired angle and size tread type is used in motorcycle tyre manufacturing. Lastly, the output is weighted and if its is not found as per the requirement then it is sent for rework otherwise it is tagged as ok and send for further manufacturing process.



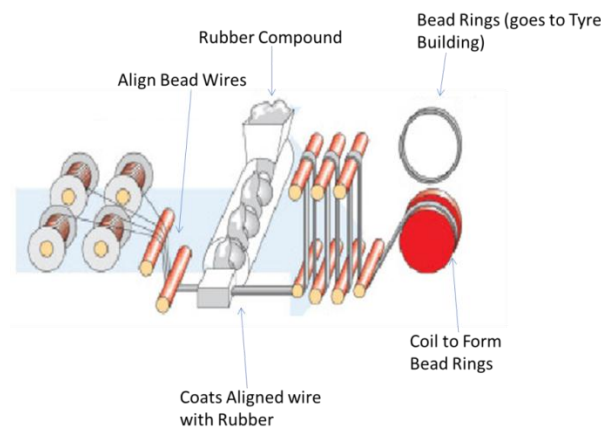
4. Calendar and Bias cutting process:-

The rubber compound obtained from the extrusion process is then used in the calendar and Bias cutting process. Under this process rubber compound is applied on nylon/polyester. Nylon/polyester is directly obtained from market as raw material. The nylon/polyester is passed through the roller which has high pressure to apply the rubber compound. Nylon/polyester obtained from the market is in roll form and passed through splicing machine; splicing machine contains chain of rollers which make the fabric material firm which helps to eliminate the flaw after which a solution is been applied on both the sides of fabric so that the rubber compound is pasted properly. The fabric on which the rubber is pasted is passed through the cooling machine which helps to bring down the temperature of the fabric material. Further, it is passed through picker which helps to remove air left between the fabric and rubber compound and again packed into roll form. Further, Bias cutter machine has a ruler which is automotive and depending on the type of tyre to be manufactured ruler is set and the fabric is cut. Finally the output i.e. ply is sent to tyre building process.



5. Bead Building process:-

The most essential part of tyre is bead; bead is used as the supporting part of the tyre. Any type of tyre i.e. OTR tyre, two wheeler, three wheeler and Heavy vehicles tyre is required to have bead which helps the tyre to keep balance and contact with the road. Bead wire is made of brass wire. The thickness of the wire depends on the requirement which type of tyre is to be manufactured. Bead winding machine is used for clubbing wires, the wires are rolled from different rolls and aligned into one which is passed through the rubber compound. The rubber compound is coated on the align bead wire, this rubber coated wire ring is then passed through different rollers which tightens the rubber coated bead wire. Finally the coated bead wire is rolled on to the winding machine. Winding machine is set according to the size of tyre required to be manufactured and accordingly the bead wire is moulded by the winding machine.



6. Tyre Building process

After the above mentioned process comes the final process of tyre building, under this the ply is kept on a roller. The ply after calendaring and bias cutting process is kept in the container which has many layers in it which helps to keep the processed ply in bulk. First step in the process is taking the ply from the container applying solution on the sides of the ply which helps to stick other materials easily. Other material which is used is thread and Bead wires which are essential component of the tyre building. After the ply is applied with solution, fabric ply is used on both the sides of the ply afterwards thread is used which is kept in

container. Thread is applied on the ply which sticks easily due to the solution pasted on it, further the bead wire is inserted on both the side of the roller to give strengthen and fitment to the tyres. The machine then moves at high speed and the worker manually removes the air from the tyre after which it is send to the curing process. There are different sizes of tyre manufactured by our Company. The pattern and method of manufacturing differs from tyre to tyre like OTR tyre manufacturing is different from motorcycle tyre. The layers of fabric on the OTR and heavy vehicles are more for proper and strong tyre.

7. Curing process

Under the curing process, the tyre is sent for baking. Here the tyre is kept in the mould as per the specification and size of the tyre. Depending on the type of tyre to be manufactured the model is used and the tyre is kept inside the mould. The working of mould is controlled by external panel where in, as per the recipe heating and cooling time is set and an approx. time is displayed on the control panel. The mould to be used for baking depends of the shape and size of the raw tyre. The raw tyres are heated at high level inside the mould which leads to adoption of the shape of the mould and once it adopts the shape of mould cooling air is passed into the mould to bring down the temperature of the tyre. Further, tyre is kept in an open space for sometime and finally sent for inspection.

8. Inspection

The cured tyre is inspected by a team of workers or inspection officer designated for this purpose. The tyres which are “ok” and have no defect are packed and kept in the dispatch department while those which have some fault and which can be rectified are sent for rectification and those which cannot get rectified are sent for scrap. Those tyres which were sent for rectification are inspected again and if they are found proper are sent to the dispatch department or store room otherwise they are sent for scrap.


OUR RAW MATERIALS


The major raw materials used in manufacturing of tubes and tyres are butyl rubber, oils, natural and synthetic rubber, carbon black and nylon fabric, Oils & rubber Chemicals & other chemicals, compounds, steel tyre cords, bead wire and reclaimed rubber chemicals, valves, etc. The company sources its raw materials from suppliers in India as well as through imports. It believes that this helps them reduce our dependence on few large vendors and thereby minimize risks of supply disruption and price.

OUR PRODUCT BASKET


Some of our key product offerings include:

- Motorcycle and Scooter Tyres
- Three-Wheelers and Passenger Vehicle Tyres
- Light-Truck and Bus Tyres
- Special Purpose Tyres

Segment	Sample Product Image	Range	
MOTORCYCLE AND SCOOTER TYRES:	<p>Classic</p>  <ul style="list-style-type: none"> ➤ The legend of racing with superior grip and safety. ➤ Excellent Control during cornering. ➤ Excellent puncture resistance. 	<p>Classic ITM Series Nylo Hi Gripp ZAP Series Amaze Eco Ride Rider Eurosky Champ</p>	<p>Victor XX Dura Tuf Dura Sport Gripp Sport City Ride Jumbo Plus Miller Angel</p>
THREE-WHEELERS AND PASSENGER VEHICLE TYRES:	ITR-111	<p>Range ITR-111 Smooth Drive ITR-224 ITL-333</p>	

Segment	Sample Product Image	Range	
	 <ul style="list-style-type: none"> ➤ The legend of racing with superior grip and safety. ➤ Excellent Control during cornering. ➤ Excellent puncture resistance. 		
LIGHT-TRUCK TYRES:	ITL-444  <ul style="list-style-type: none"> ➤ Full range of sizes to capture both domestic and export market. ➤ Customer satisfaction for the cost per kilometre. ➤ Mileage ka Badshah/Champion. 	Range ITL-444 (LUG) ITR-222 (RIB) ITS-777 ITR-111 ITS-888 (S/L) S-78	

Segment	Sample Product Image	Range	
TRUCK AND BUS TYRES:	SPRINTER  <ul style="list-style-type: none"> ➤ Full range of sizes to capture both domestic and export market. ➤ Customer satisfaction for the cost per kilometre. ➤ Mileage ka Badshah/Champion. 	Range SPRINTER (LUG) ITS-888 (S/L) ITL-444 (LUG) ITR-222 (RIB) ITS-777 ITR-111 VIVA (LUG) ITL-999 (LUG)	RIB LUG 088 (S/L) MARSHAL XXX (RIB) SIGMA XXX (LUG) NAVIGATOR (RIB) POWER MINER (MINNING)
SPECIAL PURPOSE TYRES:	POWER MINER  <ul style="list-style-type: none"> ➤ Premium casing with durable compounds. ➤ Excellent resistance to import punctures. ➤ Less downtime in services. 	Industrial/ Grader Tyres (Range SKID STEER, JUMBO, HULK, AIR BOSS, ITL-718, GRIPSTER) Off-The-Road Tyres (OTR) (Range POWER MINER) Flotation Tyres Sand Rider	
AGRICULTURE EQUIPMENT TYRES:	SURYA	Agriculture Equipment Tyres (Range SURYA) Animal Drawn Vehicle	

Segment	Sample Product Image	Range	
	 <ul style="list-style-type: none"> ➤ High traction, self-cleaning. ➤ Cut resistance tread compound. ➤ Excellent for haulage and field. 	(ADV) Tyres (Range ITA-888)	

UTILITIES & INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office which is also our tyre manufacturing facility located at Halol, Dist panchmahal, Gujarat. It is well equipped with all infrastructure facilities including telecommunications, internet and other facilities, which are required for our business operations to function smoothly. Our corporate office is at Vadodara,, Gujarat, and is also equipped with requisite utilities and infrastructure.

Power

Our Company meets its power requirements for Tyre Plant and Tube Plant by purchasing electricity from Madhya Gujarat Vij Company Limited. The current contract demand provided to us for Tyre Plant is 2,000 KVA and Tube Plant is 475 KVA. We have entered into a solar power purchase agreement with M/s Cleantech Solar Energy (India) Pvt. Ltd., (CSE) for supplying of solar power under green initiatives. The Company (CSE) has started generating solar power and we have started utilising this solar power. The contract capacity is 280kWp.

Water

We require water at various manufacturing processes. Our Company procures water from Halol (GIDC) Industries Association for our production process.

Fuel:

The Fuel component includes Coal & lignite which is procured from nearby suppliers. Diesel is used seldom which is only for standby DG sets.

Fire Hydrant

We are having underground adequate water storage tank facility at multi locations within our Tyre and Tube Plant.

CAPACITY AND CAPACITY UTILIZATION

Our manufacturing units are engaged in manufacturing and sale of Tyres and Tubes. The production and utilization capacities of our Company for these products for the past three years and also the projected capacities and utilizations for the subsequent three years are set forth in the following table:

Product Name	2014-15		2015-16		2016-17	
	Installed (In MT)	Actual	Installed (In MT)	Actual	Installed (In MT)	Actual
Tyres	9,480	7,692	9,480	7,219	9,480	7,529
Tubes	2,280	1,750	2,280	1,776	2,280	1,804
Flaps	240	187	240	132	240	163
Product Name	2017-18		2018-19		2019-20	
	Installed (In MT)	Projected	Installed (In MT)	Projected	Installed (In MT)	Projected
Tyres	9,480	8,960	16,000	10,400	16,000	11,200
Tubes	2,280	1,740	3,600	1,931	3,600	2,500
Flaps	240	240	400	260	400	285

*We intend to enhance our production capacity

COUNTRYWISE EXPORT SALES FOR FINANCIAL YEAR ENDED MARCH 31, 2017

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Philippines	2,090.67	36.19
UAE	614.11	10.63
Peru	510.79	8.84

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Turkey	235.46	4.08
Iraq	213.23	3.69
Iran	182.62	3.16
Abidjan	157.89	2.73
Sri Lanka	132.09	2.29
Sudan	125.76	2.18
Bangladesh	117.46	2.03
Ethiopia	109.49	1.90
Egypt	107.42	1.86
Indonesia	95.29	1.65
Saudi Arabia	79.87	1.38
Nigeria	78.11	1.35
Pakistan	77.88	1.35
Nepal	76.11	1.32
Bolvia	71.52	1.24
Ivory cost	69.75	1.21
Jorden	64.91	1.12
Yemen	62.63	1.08
Ghana	58.10	1.01
Kenya	53.67	0.93
Djibouti	51.59	0.89
Honduras	39.37	0.68
Guatemala	36.79	0.64
Chile	32.73	0.57
Nicarague	29.40	0.51
Japan	28.87	0.50
Cote de ivore	28.41	0.49
Angola	22.54	0.39
Sharjah	19.31	0.33
Algeria	14.68	0.25
Morocco	14.55	0.25
Mexico	13.96	0.24
Fiji	7.77	0.13
Brazil	7.08	0.12
Ukrain	6.53	0.11
Tanzania	6.49	0.11
Guyana	6.11	0.11
Lebanon	6.06	0.10
Zimbabwe	5.56	0.10
Malesiya	3.60	0.06
Israel	2.70	0.05
Liberia	2.59	0.04
Romania	2.24	0.04
Cameroon	1.82	0.03
Greece	0.78	0.01
Singapore	0.02	0.00

PLANT AND MACHINERY

The major plant and machinery of our Company is as follows:-

Name of Machinery	Qty (New)	Qty (Second hand)	Age of Second Hand Machines
Bale Cutter Machine	1	-	-
Inter Mix Machine	2	-	-
Boiler - Industrial Horizontal Fluidised bed combustion Coal rice husk/Saw Dust/ do fired Cap. 10000 kgs, working reassure 19 khs	1	-	-
Boiler Micro Dynamic GT 5529 with all accessories	1	-	-
Chimney for Boiler	1	-	-
Rubber Mixing Mill 16" x 42" -	5	-	-
Tween Mill	2	-	-
Batch of Unit	1	-	-
Tread Weighing Conveyor 10kg Cap (2400mm x 600mm)	1	-	-
Dispersion Kneader Mixer (75 litres)	1	-	-
6" Hot Feed Extruder	1	-	-
Tread Cooling Line	1	-	-
Auto Skiver Assembly	1	-	-
Cushion Gum Calendar	1	-	-
Leaf Truck	30	-	-
Calendar M/c 16" x 48"	1	-	-
3 Roll Calendar and Calendar Line	2	-	-
Calendar Line	1	-	-
Bias Cutter	1	-	-
Automatic Bead Winding M/c	1	-	-
Tyre Building Machine	17	-	-
Mould Various size	17	-	-
Various size Tyre Mould	73	-	-
Flap Mould	2	-	-
59 J Tyre Building Mould	1	-	-
Truck Size Tyre Mould	9	-	-
Turent Servicer 2 x 6	2	-	-

Name of Machinery	Qty (New)	Qty (Second hand)	Age of Second Hand Machines
Tyre Awling M/c	1	-	-
Tyre Jamming Machine	2	-	-
Tyre Flipping Machine	1	-	-
Tyre Trimming M/c	2	-	-
Static (Tyre) Balancing M/c (Model 100 VBAV) - 1 Nos	1	-	-
Wobble Tyre Testing M/c - 1 Nos	1	-	-
Tyre Balancing M/c	1	-	-
Air Compressor Various capacity	3	-	-
R O Plant -	1	-	-
DG Set	2	-	-
Hot Water Systems	1	-	-
Pully Wheel Endurance Testing M/c	1	-	-
Reho Meter (with Computer & Printer)	1	-	-
Computerised Electronic Tensile Tester	1	-	-
Curing Press	10	-	-
Bladder Press	1	-	-
Various size Tyre Curing Press	2	-	-
Tyre Curing Press	5	-	-
Plunger Testing Machine Without Electrical and	1	-	-
Manufacturing Errection and Commissioning of complete Trade Cooling Line	1	-	-
Material Handling System for Coal/Lignite handling to Boiler	1	-	-
F 270 Banbury and mixing line set up	1	-	-
Carbon Batching System	1	-	-
3 D Mixing Mill	1	-	-
4 Roll Calendar Machine	1	-	-
1500 KVA 1100/433 Vcopper wound transformer and Power distribution panel size 3100*2250*1000/400	2	-	-
Oil Weighing System With Installation & Commissioning (Capacity: 25 Kg	1	-	-
Dust Collector	1	-	-
A 9 Station Turret Servicer	3	-	-
Water Treatment Plant Dm Plant	1	-	-
Material Handling System	1	-	-

Name of Machinery	Qty (New)	Qty (Second hand)	Age of Second Hand Machines
40.5" Mcneil 230M4, M5 And M6 Model Tyre Curing Presses (Second Hand) "BOM" Type, Steam Platen Design With Central Mechanism With Electrical Panel, Pipe Valve Module, Gear Box, Motor With Brake With Lubricant Systems	-	22	8 years
42" Mcneil 230 M4, M5 And M6 Model Tyre Curing Presses (Second Hand) "BOM" Type, Steam Platen Design With Central Mechanism With Electrical Panel, Pipe Valve Module 3m, Gear Box, Motor With Brake With Lubrication System And With Auto PCI And Loaders	-	9	8 years
22" X 60" adamson make twin mill consisting of chilled cast iron rolls, gear box, motor base, plate, frame with necessary accessories	-	1	8 years
8" Extruder NRM make with Gear Box and Motor with standard accessories	-	1	8 years
Lab Equipment (one Lot) including one lab mill (Free of cost, value declared for custom purpose)	-	1	8 years
Farrell make used Two Roll 48" Calendar with Motor Gear Box and Standard accessories	-	1	8 years
55" Mcneil BOM Type Press with Doms, CM Cylinder Valves, Unloading Arms and accessories used machinery	-	2	8 years
F 270 Banbury and mixing line set up - complete line as package with chambers, set of Rotor, hopper, Ram assembly, Hydraulic unit, Farrell make gear box, 1000hp Elec. Motor, Mixing mill with gear box, Motor bed plate, Batch of unit, Oil Changing System,	-	1	
Used Machine dismantled - one unit Bernstorff Germany make 48" Cushion mill with pedestals, Bull gear connecting gears without motor and gearbox and with accessories	-	1	8 years
used machine dismantled - one unit ID don make Cracker mill with two corrugated rolls with gear box pedestals four bush housings the mill is mounted on a common base frame with 180 HP, 440 V, 750 RPM MOTOR WITH NECESSARY ACCESSORIES	-	1	8 years
Used machine dismantled - one unit shaw robinsion UL Make - 84" single mill with bull gear. Connecting gears, pedestal , bearing housing, two smooth rolls base frames without motor but with necessary accessories	-	1	8 years
Used Machine dismantled - One unit shaw Robinson UK Make - 84" Single mill with bull gear, connecting gears - Pedestal nearing housing One smooth roll and one Corrugated roll base (ground) frame without motor but necessary accessories	-	1	8 years
Trolley mounted (Used) tyre internal spray unit as - One unit bladder internal spray system	-	1	8 years
Used Machine - one no. used machine Iddon Brother make- 2 Roll Cushion Mill 12" X 30" Bull gear type pinion with DC motor control panel with built in DC drive with necessary accessories	-	1	8 years
Used Machine - 2 Nos., 8" extruder built in gear boxes, coupled with 150 HP DC motor,	-	2	8 years

Name of Machinery	Qty (New)	Qty (Second hand)	Age of Second Hand Machines
mounted on a MS rigid platform 2 Nos. electrical control panel with 50 HP DC devise, 2 Nos. electrical control panel with 150 HP DC DRIVE TCU Unit for extruders			
Used Machine as one unit Iddon Brothers make Unit Drives 84" Twin mill with 5 rolls, common gear box, four pedestals eight housing connecting pinions base frames/plates with 400 HP motor including compound sheet cutting accessories	-	1	8 years
Used Machine - two units 63.5" M/McNeil Pomini Farrell make BOM Press Model No. 950-63.5" complete with domes valves and control panel with necessary accessories	-	1	8 years
Used Equipment for the Rubber Industry Alliance Engineering Make Two Pieces 60" width Band building for tyre building process with all required accessories	-	2	8 years
Used Second Hand Dismantled Adamson United Inverted Z, 4 Roll Calendar and its line along with its accessories']	-	1	8 years
75"Tube Press, 3	-	2	8 years
3 D Banburry with chamber and Frame etc	-	1	8 years
22" * 36" Mixing Mill Farrell and carbon charging	-	1	8 years
75" tube curing press with accessories and lufkin make gear box	-	1	8 years
55" Tyre Press NRM Mc Neil make - 3 Nos	-	3	8 years
22" * 60 mixing mill with accessories - two Nos	-	2	8 years
46" Tyre Curing Press Mc Neil	-	2	8 years

List of Proposed Plant and Machineries and Research & Development:-

Sr. No.	Particulars	Quantity
1.	Radial Tyre curing press with Auto chuck loaders	2
2.	BOM Type Large OTR presses	3
3.	Forklift and Other Handling equipment	1
4.	Fork Lift	2
5.	Fabricated Bins	200
6.	Band Building machine with eight station suitable for OTR, Large size tyres upto 38" sizes	1
7.	Band Trolleys	20
8.	Leaf trucks	10
9.	Material Transfer Lift	2
10.	New Batch of unit	1
11.	Sandwith Lift	1

Sr. No.	Particulars	Quantity
12.	Modifying existing Extrusion Line for precision cooling	1
13.	Final Mixing Banbury Ferrel Make	1
14.	Parker make 1000KW VFD Panel suitable for 270ltr Mixer along with PLC based operator panel	1
15.	Schneider PLC & Parker VFD based control panel suitable for extruder and strip winder	1
16.	Schneider PLC & Parker VFD Based control panel suitable for bead winding	1
17.	Schneider PLC & Parker VFD based control panel suitable for Band winding	1
18.	Schneider PLC & Parker VFD based control panel suitable for Tyre building	2
19.	Schneider PLC Based control panel suitable for tyre curing press along with instrumentation	2
20.	Strip winding systems for radial AGR/OTR Tire Tread	1
21.	Steam Boiler with complete system, APH, back filter MDC and complete control system	1
22.	Agriculture tyre building drum and spares	1
23.	Entire Electrical installation work at site for expansion project and R&D centre building	1
24.	Compressor	2
25.	Low table bias cutter with self aligning splice tables	1
26.	All well design 14 station direct spool mounted bead winding machine	1
27.	Agricultural Radial Tyre Building machine	1
28.	RBS-Tyre OTR Semi Automatic Tyre buidling machine	2
29.	Bead Filling and Flipering combine machine	3
30.	Laboratory Mixing mill size 6 ¹¹ x12 ¹¹	1
31.	Lab curing Press 20 ¹¹	1
32.	Sumo Lifter' Pallet Truck model: IE 2500	6
33.	Unloading, Shifting, Installing at the foundation, erection and commissioning re-furbished consist of following for the various machines and equipments. Complete package including arrangement and charges of crane/hydra, Transfer trucks, winches, chain blocks	-
34.	Tyre moulds (31/15.5-15, 12.5 L-15, 15-19.5, 18.04-38, 15.5-38, 11.2-38, 14.09-24, 9.5-20))	8
35.	Tube moulds	16
36.	Bladder Mould	5
37.	Tube & Flap Moulds	24
38.	Dispersion Analyser	1
39.	Bag Filling Machine	1
40.	Auto Clave	2
41.	Schneider PLC, Sick make laser Based control panel suitable for Tyre Dimesion measurement	1
42.	Schneider PLC, Sick make laser Based control panel suitable for Tyre endurance testing machine	1

Sr. No.	Particulars	Quantity
43.	Oscillating Disc Rheometer	1
44.	Mooney Viscometer	1
45.	High Speed Stirrer	1
46.	Magnetic Stirrer	1
47.	Electron Microscope HF-3300 with additional camera	1
48.	All well tyre Taiwan Design Tyre run out Testing machine	1
49.	Baby Extruder	1
50.	Endurance Testing Machine	1
51.	Spectro Meter	1
52.	Electron Microscope	1
53.	Additional Camera	1
54.	POP work, Glass cabin, AC unit fitting, Painting etc.	1
55.	Digital Weighing scales	1
56.	Light Accelerated Weighing tester	1
57.	Ozone Chamber	1
58.	Flex Tester	1
59.	Carbon Black Dispersion Test Apparatus	1
60.	DIN Abrasion tester	1
61.	Die for Din Abrasion tester	1
62.	Muffle Furnace	1
63.	Specific Gravity balance digital model	1
64.	Hot Air Oven	1
65.	Digital preset timer	1
66.	Rebound Resilience Tester	1

COLLABORATIONS/ TIE UPS/ JOINT VENTURES

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any technical or other collaboration or Tie ups or Joint venture.

EXPORT AND EXPORT OBLIGATIONS

License No.	Item required to be exported	Issue Authorisation Date	Duty Saved (Quantity in MT)	Export Obligation in (Quantity in MT)	Balance Export obligation to be completed in (Quantity in MT)	Period to which Export Obligation to be completed
3410042137	Tyres, Tubes & Flaps	May 04, 2016	1,160.92	1280.00	1142.86	November 03, 2017
3410042462	Tyres, Tubes & Flaps	August 23, 2016	1,160.92	1280.00	1,021.99	February 22, 2018
3410042755	Tyres, Tubes & Flaps	December 15, 2016	1,160.92	1280.00	1,194.64	June 14, 2018

HUMAN RESOURCES

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As at March 31, 2017, we have 335 employees who look after our business operations, factory management, administrative, secretarial, legal, marketing and accounting functions in accordance with their respective designated goals. Apart from these we also employ casual labour or temporary labour on need basis. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work progress and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Departmentwise breakup of the employees is as follows:-

Sr. No.	Particulars	No. of Employees
1.	Administrative, Commercial & Other Departments	31
2.	Production, Technical & Allied Departments	297
3.	Legal & Secretarial Department	2
4.	Finance and Accounting Department	5
	Total	335

SALES & MARKETING

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with the customers who have been associated with our Company. Our team through their relevant experience and good rapport with these customers owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. We believe our relationship with our customers is strong and established as we receive repeated orders. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our products are sold under brand name "Innovative". As a strategy company also caters to leading business houses in different countries for their private brands. This is helping in spreading market and additional business volume. We intend to expand our existing customer base by increasing our presence in existing markets and reaching out to other

geographical areas. Our marketing team is ready to take up challenge so as to scale new heights. Our Company's marketing team develops and maintains cordial relations with our customers by continuously following – up with the existing customers and approaching new customers.

MARKETING STRATEGY:

Our Company intends to focus on following marketing strategies:

- Introducing new range of products
- Customer satisfaction
- Continuous follow-up with customers
- Develop new markets and customers

END USERS

We cater to International and Domestic customers who are mainly engaged in manufacturing of Two Wheelers or three wheelers or four wheelers vehicles and other special industrial and agricultural vehicles. Currently we supply our products through dealers, distributors or directly to customers. We deal in manufacturing of Tyres and Tubes that are used for commercial purposes which are sold as per the orders received by parties.

Our products are mainly supplied to OEMs', Institutional, End Users, dealers and distributors for all segments, which includes 2-wheeler, 3-wheeler, 4- wheeler, Agriculture and OTR.

COMPETITION

Our industry being a large and global industry, we face competition from various domestic and international players. The Industry which we cater to is highly competitive, organized and also fragmented with many small and medium-sized companies and entities. we compete with organized as well as unorganized sector on the basis of our capability to supply products with quality consistency, competitive pricing, catering to niche customer segment, service back up and product range, availability of product, product quality and product range with special usp of customer friendly dispatches/deliveries.

Our competitors are tyre majors from India and overseas, regional mid size players from organised and unorganized manufacturers. We continually upgrade our competency to respond to the competitive forces effectively. We intend to continue competing vigorously to spread our market share and manage our growth in an optimal way.

INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards. Further, our contractual obligations to our lenders also require us to obtain specific insurance policies. We have taken Standard Fire & Special Perils Policy for a substantial majority of our assets at our office and factory. These policies also insure us against the risk of Spontaneous Combustion and earthquake with plinth and foundation. We also have a Marine Sales Turnover Insurance Policy that covers risks while goods are in transit. We have Money Insurance to cover money in transit i.e. wages/ salaries/ loans. We have Boiler and Pressure Plant Insurance to cover our boilers and pressure plants. Further our company has Vehicle insurance policies for two wheeler and four-wheeler vehicles. Our policies are subject to customary exclusions and customary deductibles. We believe that our insurance coverage is adequate for our business needs and operations. We will continue to review our policies to ensure adequate insurance coverage is maintained.

LAND AND PROPERTY

We have our properties located at following:

Lease / Licenced Properties:

Sr. No .	Name of the Lessor / Licensor	Name of the Lessee / Licensee	Address of the Property	Period of Agreement	Consideration	Usage
1.	Gujarat Industrial Development Corporation	Innovative Tyres and Tubes Limited	Plot of land No. 1704, GIDC, Halol Industrial Estate, Taluka Halol, Dist. Panchmahal, Vadodara, Gujarat	99 years from January 11, 1991	Rs. 14,01,739/-	Tube Plant
2.	Sumit Patel + Romil Gandhi + Darshit Thakkar Partners of Ambika Reality (Partnership Firm)	Innovative Tyres and Tubes Limited	Shop No 7 and 8, Ground Floor, Ambika Revenue, beside Tirth Retreat, near Shivam Hotel, Kapurai crossing, Kapurai, Vadodara, Gujarat	5 Years commencing from January 01, 2017 till December 31, 2021	31,000 Per Month and Security Deposit of Rs. 62,000	Factory Outlet
3.	Gujarat Industrial Development Corporation	Innovative Tyres and Tubes Limited	Plot No. 1201, 1202, 1203, GIDC, Halol Industrial Estate, Taluka Halol, Dist. Panchmahal, Vadodara, Gujarat	99 years from 17 Nov 1987.	Rs. 38,15,147/-	Registered Office and Tyre Plant
4.	Hasuben Patel	Innovative Tyres and Tubes Limited	Govindkrupa Bungalow, Ground Floor Opp.15 Alkapuri Soc., B/H Alkapuri Police Chowki, R.C. Dutt Road,	3 Years commencing from May 1, 2016 till April 30, 2019	Rs. 44,000 per month	Corporate office

Sr. No.	Name of the Lessor / Licensor	Name of the Lessee / Licensee	Address of the Property	Period of Agreement	Consideration	Usage
			Vadodara 390007, Gujarat			

INTELLECTUAL PROPERTY RIGHTS

We have applied for registration of the following Trademarks with the Trademarks Registry, Government of India. The details of trademark applications are as under:

Sr. No.	Trademark	Trademark Type	Class	Applicant	Application No.	Date of Application	Validity / Renewal	Registration status
1.	INNOVATIVE	DEVICE	12	Innovative Tyres and Tubes Limited	2118765	March 21, 2011	March 21, 2021	Registered
2.	NAVIGATOR	DEVICE	12	Innovative Tyres and Tubes Limited	2118766	March 21, 2011	March 21, 2021	Registered
3.	INNOVATIVE	DEVICE	12	Innovative Tyres and Tubes Limited	3586388	July 06, 2017	-	Accepted

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Red Herring Prospectus, the Companies Act, 1956 / the Companies Act, 2013, We are subject to a number of central and state legislations which regulate substantive and procedural aspects of our business. Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations and local bye-laws. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in business of manufacturing and exporting of Tyres. Taxation statutes such as the I.T. Act, and applicable Labour laws, environmental laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page number 272 of this Draft Red Herring Prospectus.

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

The Micro, Small and Medium Enterprises Development Act, 2006

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the act is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees; “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees; or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro – enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

Gujarat Industrial Policy 2015

Gujarat has witnessed strong growth in Micro, Small & Medium Enterprises (MSMEs) sector which covers the medium sector of Gujarat. MSME sector has a special importance as this is the sector which belongs to common man. Gujarat Government wishes to strengthen the sector by making it more technology-driven. This type of support will come by way of interest subsidy for manufacturing and service sector, venture capital assistance, quality certification, technology acquisition fund, patent assistance for national and international, energy and water conservation audit, market development assistance and support, MSMEs for credit rating, raising capital through MSE exchange, reimbursement of CGTSM scheme for collateral free loan, state awards under MSMEs and skill development etc. Support would also be extended for development of ancillary and auxiliary enterprises for labour intensive industries.

The Government of Gujarat will constitute separate awards for MSMEs. The awards will be for achieving excellence through growth and production profit, quality improvement measures, Environment improvement measures and Innovation and new product/process/technology development. The policy encourages adoption of new and innovative technologies by providing financial support will be provided to each cluster for every innovative technology, setting up R&D Institutions, setting new

laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents.

Gujarat government shall be taking market development initiatives with the intention of giving enhanced visibility to local produce from large industries and specifically from MSMEs. Government of Gujarat stresses on “Zero Defect” to produce globally-competitive, locally manufactured goods. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show one’s products or wares. Government of Gujarat will make market credit available to MSMEs.

Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (ERP) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis.

Rubber Act, 1947

The rubber industry in India is regulated by the Rubber Act, 1947 (“Rubber Act”) and the rules framed thereunder. The Rubber Act provides for the constitution of a Rubber Board with the purpose of development of rubber industry. Under the Rubber Act, the central government has been conferred with the power to prohibit or control imports and exports of rubber. Further, the Rubber Act provides that a person shall not possess, sell or acquire rubber without a general or special license issued by the Rubber Board. Every general license is published by the Rubber Board in the Official Gazette and in such newspapers as directed by the Rubber Board, while the special license is accorded for a limited period and is subject to extension by the Rubber Board. In the event of default of the provisions of the Rubber Act, the defaulter will be punishable with imprisonment for the term which may extend to one year or with fine which may extend to one thousand rupees or both.

The Explosives Act, 1884

The Explosives Act, 1884 (the “Explosives Act”) has been enacted to regulate the manufacture, possession, use, sale, transport and importation of explosives. The Explosives Act stipulates as follows: No person – i) who has not completed the age of 18 years; ii) (who has been sentenced on conviction of any offence involving violence or moral turpitude for a term of not less than 6 months, at any time during a period of 5 years after the expiration of the sentence; iii) who has been ordered to execute under Chapter VIII of the Code of Criminal Procedure, 1973 (2 of 1974), a bond for keeping the peace or for good behaviour, at any time during the term of the bond; or iv) whose licence under this Act has been cancelled, whether before or after the commencement of the Indian Explosives(Amendment) Act, 1978 (32 of 1978) for contravention of the provisions of this Act or the Rules made thereunder, at any time during a period of 5 years from the date of cancellation of such licence shall: a) manufacture, sell, transport, import or export any Explosive; or b) possess any such Explosive as the Central Government may, having regard to the nature thereof, by notification in the Official Gazette, specify. Further, no person shall import, export, transport, manufacture, possess, use or sell any explosive which is not an authorised explosive. The Explosives Act also prescribes safety standards and qualifications required in order to obtain a license for the manufacture, use, possession, sale etc., of explosives.

Central Motor Vehicles Rules, 1989

The Central Motor Vehicles Rules, 1989 (“Motor Vehicles Rules”) contains certain provisions regulating the manufacture of tyres for agricultural tractors as well as other vehicles. The Motor Vehicles Rules direct the tyre manufacturers to specify the load carrying capacity of the tyres, and further gives directions relating to aspects such as the non-skid depth and size of the tyres.

The Indian Boilers Act, 1923

The Indian Boilers Act, 1923 (the “Boilers Act”) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an

unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

Anti-Trust Laws

Competition Act, 2002

An act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

The prima facie duty of the commission is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General, he shall be punishable with a fine which may exceed to Rs. 1 lakh for each day during such failure subject to maximum of Rupees One Crore.

GENERAL CORPORATE COMPLIANCE

The Companies Act 1956 and The Companies Act, 2013

The consolidation and amendment in law relating to Companies Act, 1956 made way to enactment of Companies Act, 2013. The Companies act 1956 is still applicable to the extent not repealed and the Companies Act, 2013 is applicable to the extent notified. The act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the act. The provision of this act shall apply to all the companies incorporated either under this act or under any other previous law. It shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e., a One Person Company. The provisions relating to forming and allied procedures of One Person Company are mentioned in the act.

Further, Schedule V (read with sections 196 and 197), Part I lay down conditions to be fulfilled for the appointment of a managing or whole time director or manager. It provides the list of acts under which if a person is prosecuted he cannot be appointed as the director or Managing Director or Manager of the firm. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

EMPLOYMENT AND LABOUR LAWS

Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA") has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the CLRA applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is

required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employees' State Insurance Act, 1948 (the "ESI Act")

It is an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. This Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment in which 20 or more persons are employed on any day during an accounting year covered to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

Payment of Gratuity Act, 1972

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf.. A shop or establishment to which this act has become applicable shall be continued to be governed by this act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five year period shall be relaxed in case of termination of service due to death or disablement.

Minimum Wages Act, 1948

The Minimum Wages Act, 1948 (“MWA”) came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MWA, every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, manual or clerical (including out-workers) in any employment listed in the schedule to the MWA, in respect of which minimum rates of wages have been fixed or revised under the MWA. Construction of Buildings, Roads, and Runways are scheduled employments. It prescribes penalties for non-compliance by employers for payment of the wages thus fixed.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months’ notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Equal Remuneration Act, 1976

The Equal Remuneration Act 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against Female employees in the matters of employment and for matters connected therewith. The act was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

This Act has been enacted with an aim to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. It is applicable to every establishment employing five or more inter-state migrant workmen or having employed in the past twelve months and to every contractor who employs or who employed five or more inter-state migrant workmen in the past twelve months. Every Principal Employer of the establishment employing inter-state migrant workmen has to make an application for the registration of the establishment in the prescribed manner and time. Also a contractor employing inter-state migrant workmen has to obtain a license for the same from the licensing officer appointed for the purpose by the Central or the state Government. The license is valid only for a specified period and requires to be renewed at its expiry. The Act levies some duties on the principal employer and the contractor. The contractor is to provide for adequate wages, medical facilities and other benefits while it is the responsibility of the principal employer to provide for the displacement allowance and journey allowance to the workmen.

Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957

The ID Act and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The ID Act was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The ID Act also sets out certain requirements in relation to the termination of the services of the workman. The ID Act includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment

TAX RELATED LEGISLATIONS

Value Added Tax (“VAT”)

VAT is a system of multi-point Levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by manufacturer. VAT is based on the value addition of goods, and the related VAT Liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons Liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

Gujarat Value Added Tax Act, 2003 (“GVAT”)

Gujarat Value Added Tax, 2003 (GVAT Act) is made effective in the state of Gujarat from 1st April, 2006. On its implementation following Acts are repealed.

- The Gujarat Sales Tax Act, 1969,
- The Bombay Sales of Motor Spirit Taxation Act, 1958,
- The Purchase Tax on Sugarcane Act, 1989.

However provisions relating to pending assessment, appeals, recovery etc., under the above Acts will survive. The basic requirement of charging tax under GVAT Act is that where any sale in the course of business is affected, in the State of Gujarat, VAT is payable under GVAT Act. Transactions made in the course of business only are covered under the GVAT Act.

The Gujarat (Panchayats, Municipalities, Municipal Corporations and State) Tax on Professionals, Traders, Callings and Employments Act, 1976

Professional tax in Gujarat is governed by the Gujarat Panchayats, Municipalities, Municipal Corporation and State Tax on Professions, Traders, Callings and Employment Act, 1976 and rules of 1976. All registered partnership firms, all factory owners, all shops or establishment owners (if the shop has employed on an average five employees per day during the year), all businesses covered under the definition of ‘dealer’ defined in the Gujarat Value Added Tax Act, 2003 whose annual turnover is more than Rs. 2.50 lakhs, all transport permit holders, money lenders, petrol pump owners, all limited companies, all banks, all district or state level co-operative societies, estate agents, brokers, building contractors, video parlors, video libraries, members of associations registered under Forward Contract Act, members of stock exchange, other professionals, like legal consultants, solicitors, doctors, insurance agents, etc are covered under this Act. It is duty of the employers to deduct tax from the person earning any salary/wage in the organisation. For the purpose of this act, employer means in relation to an employee earning any salary or wages on regular basis under him, means the person or the officer who is responsible for disbursement of such salary or wages, and includes the head of the office or any establishment as well as the manager of agent of the employer.

Monthly Salary	Amount payable in Gujarat
Less than Rs. 5999	Nil
Rs. 6000 to Rs. 8999	Rs. 80 per month
Rs. 9000 to Rs. 11999	Rs. 150 per month
Rs. 12000 & above	Rs. 200 per month

Service Tax

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of ‘taxable services’, as specified in entry 39 defined therein. 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 this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 5th / 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the Company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Central Sales Tax Act, 1956 (“CST”)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for Levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State Laws imposing taxes on sale or purchase of such goods of special importance

(called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administrated by Central Board of Excise and Customs under the Ministry of Finance.

The Central Excise Act, 1944

The Central Excise Act, 1944 (“Central Excise Act”) consolidates and amends the law relating to Central Duties of Excision goods manufactured or produced in India. Excisable goods under the Act means goods specified in the Schedule to the Central Excise Tariff Act, 1985 as being subject to duty of excise. Factory means any premises, including the precincts thereof, wherein or in any part of which excisable goods are manufactured, or wherein or in any part of which any manufacturing process connected with the production of these goods being carried on or is ordinarily carried out. Under the Act a duty of excise is levied on all excisable goods, which are produced or manufactured in India as and at the rates, set forth in the First Schedule to the Central Excise Tariff Act, 1985.

Goods and Service Tax (GST)

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by center on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise – goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

It is applicable on all goods except for alcohol for human consumption and five petroleum products.

Taxpayers with an aggregate turnover of Rs. 20 lakhs would be exempt from tax. The exemption threshold for special category of states like North-East shall be Rs. 10 lakhs. Small taxpayers with an aggregate turnover in preceding financial year upto Rs. 75 lakhs (50 lakhs in case of special category states) may opt for composition levy. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. There is a special rate of 0.25% on rough precious and semi-precious stones and 3% on gold. In addition a cess of 15% or other rates on top of 28% GST applies on few items like aerated drinks, luxury cars and tobacco products.

Export and supplies to SEZ shall be treated as zero-rated supplies. Import of goods and services would be treated as inter-state supplies. Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In

case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

OTHER LAWS

The Factories Act, 1948

The Factories Act, 1948 ("Factories Act") aims at regulating labour employed in factories. A "factory" is defined as "any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on". The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places.

Under the Factories Act, the State Government may make rules mandating approval for proposed factories and requiring licensing and registration of factories. The Factories Act makes detailed provision for ensuring sanitary conditions in the factory and safety of the workers and also lays down permissible working hours, leave etc. In addition, it makes provision for the adoption of worker welfare measures. The prime responsibility for compliance with the Factories Act and the rules thereunder rests on the "occupier", being the person who has ultimate control over the affairs of the factory. The Factories Act states that save as otherwise provided in the Factories Act and subject to provisions of the Factories Act which impose certain liability on the owner of the factory, in the event there is any contravention of any of the provisions of the Factories Act or the rules made thereunder or of any order in writing given thereunder, the occupier and the manager of the factory shall each be guilty of the offence and punishable with imprisonment or with fine. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

ENVIRONMENTAL LEGISLATIONS

The Environment Protection Act, 1986 ("Environment Protection Act")

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a frame work for Central government for co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act 1981 (“the Act”) was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and also prohibits the use of certain types of fuels and appliances. Prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

Water (Prevention and Control of Pollution) Act, 1974

The Water (Prevention and Control of Pollution) Act 1974 (“the Act”) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Public Liability Insurance Act, 1991

This Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

National Environmental Policy, 2006

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace, but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

INTELLECTUAL PROPERTY LEGISLATIONS

In general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trade Marks Act, 1999

The Trade Marks Act, 1999 (the “**Trade Marks Act**”) provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

The Designs Act, 2000

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. The Controller General of Patents, Designs and Trade Marks appointed under the Trademarks Act shall be the Controller of Designs for the purposes of the Designs Act. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986 are also applicable to the company.

OTHER LAWS:

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government may also appoint Director General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

If any person makes any contravention to any law or commits economic offence or imports/exports in a manner prejudicial to the trade relations of India or to the interest of other person engaged in imports or exports then there shall be no Import Export Code number granted by Director-General to such person and if in case granted shall stand cancelled or suspended. Provision of search and seizure of Code of

Criminal Procedure, 1973 shall apply to every search and seizure made under this Act. In case of appeals in a case the order made by the appellate authority shall be considered to be final. The powers of all the civil court under Code of Civil Procedure, 1908 shall vest in him.

The EXIM Policy is a set of guidelines and instructions established by the DGFT in matters related to the export and import of goods in India. This policy is regulated under the said act. Director General of Foreign Trade (herein after referred to as DGFT) is the main governing body in matters related to the EXIM Policy. The Act shall provide development and regulation of foreign trade by facilitating imports into, and augmenting exports from India. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce).

Foreign Exchange Management Act, 1999

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 (“FEMA”) and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies. Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit. Every exporter of services shall furnish to the Reserve Bank or to such other authorities declaration in such form and in such manner as may be specified, containing the true and correct material particulars in relation to payment for such services.

FEMA Regulations

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

THE FOREIGN DIRECT INVESTMENT

The Government of India, from time to time, has 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”), has issued consolidated FDI Policy Circular of 2017 (“FDI Policy 2017”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“RBI”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July

01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Certain forms and resolutions filed with Registrar of Companies (prior to 2006) are not traceable by our Company. With respect to this chapter these include forms and resolutions for incorporation and change in constitution of Company, change in registered office of Company, increase in authorised share capital, etc. Hence, this chapter is prepared based on the ROC search reports, data provided by management and to the best of information available.

CORPORATE PROFILE AND BRIEF HISTORY

Our Company was originally incorporated as “Innovative Tyres & Tubes Limited” at Mumbai, Maharashtra as a public limited company under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated November 28, 1995 bearing Registration Number 11-94817 issued by Registrar of Companies, Maharashtra, Mumbai. The certificate of Commencement of Business was granted by Registrar of Companies, Maharashtra on February 08, 1996 issued. Pursuant to change in the registered office of our Company from one state to another state vide resolution passed by shareholders of our company in the Annual General Meeting held on August 23, 2014 and a certificate in respect of which was issued by Registrar of Companies, Ahmedabad, on April 27, 2016. The Corporate Identification Number (CIN) of our Company is U25112GJ1995PLC086579.

Mukesh Desai and Pradeep Kothari are the Promoters of our Company.

Chandravadan Shah, Narendra Shah, Kalpesh Shah, Ashvinkumar Mehta, Sanjay Mankad, Minakshi Mankad, Girish Patel and Bipin Mankad were the initial subscribers to the Memorandum of Association of our Company. Mukesh Desai and Pradeep Kothari acquired shares in our Company through purchase of shares in various tranches from shareholders and also through preferential allotment(s). For further information, please refer to the chapter title “Capital Structure” on page 85 of this Draft Red Herring Prospectus.

For information on our Company’s profile, activities, market, products, etc., market of each segment, capacity built-up, exports and profits due to foreign operations together with country wise analysis, standing of our Company in comparison with prominent competitors, with reference to its products, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “Our Business”, “Financial Statements as Restated”, “Management’s Discussion and Analysis of Financial Condition and Results of Operation”, “Government and Other Statutory Approvals” beginning on page 151, 217, 252 and 272 respectively of this Draft Red Herring Prospectus.

CHANGES IN OUR REGISTERED OFFICE:

At the time of Incorporation, registered office of our Company was situated at 5/105, Nityanand Nagariv Swami, Nityanand Road, Andheri (East), Mumbai-400069, Maharashtra, India. The registered office of our company was then shifted to:

DATE	FROM	TO	REASON
August 23, 2014	5/105, Nityanand Nagariv Swami, Nityanand Road, Andheri (East), Mumbai-400069, Maharashtra, India	Govindkrupa Bungalow, Ground Floor Opp. 15 Alkapuri Soc., B/H Alkapuri Police Chowki, R. C. Dutt Road, Vadodara 390007, Gujarat, India	For administrative convenience
July 10, 2017	Govindkrupa Bungalow, Ground Floor Opp. 15 Alkapuri Soc., B/H Alkapuri Police Chowki, R. C. Dutt Road, Vadodara 390007, Gujarat, India	1201, 1202, 1203 – GIDC Halol, District:- Panchmahals, Halol – 389350, Gujarat, India.	For administrative convenience

KEY EVENTS AND MILESTONES

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

YEAR	EVENTS
1995	Incorporation of our Company
1996	Acquisition of plant located at Halol, Gujarat for manufacturing of tubes.
1996	Certificate of Commencement of Business
2003	Established 2nd plant at Halol, Gujarat for manufacturing of 2 wheeler tyres
2015	Scope of Certification by the Philippine Standard Certificate of the Department of Trade and Industry
2015	Certificate for Quality Management system as required under ISO 9001:2008 issued by TUV SUD, South Asia Private Limited for Tube plant
2015	Philippine Standard Quality Mark Licence by the Department of Trade and Industry, Bureau of Philippine Standards.
2016	Certificate for Quality Management system as required by ISO 9001:2008 by TUV SUD South Asia Private Limited for Tyre plant.
2016	Licence from Bureau of Indian Standards bearing IS No. 13098:2012
2017	Product Certificate SNI 0100:2012 for product light truck tyre (Brand-Innovative)
2017	Product Certificate SNI 6700:2012 for product Inner tube for automobile tire (Brand-Innovative)
2017	GSO Conformity Certificate by GCC Standardization Organization
2017	Compliance Statement (RDWC-EAV-02 Correction 01) by RDW, The competent Administrative Department (Approval Authority) for the Netherlands
2017	Product Certificate by Standards Organization of Nigeria
2017	Product Certificate SNI 0099:2012 for product Truck & Bus Tyre (Brand-Innovative)

MAIN OBJECTS OF OUR COMPANY

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

- 1 To engage in the business of marketers and manufacturers of Tyres and Tubes and goods made from natural, synthetic, reclaimed rubber, plastic and its compounds including derivatives and substitutes used for automobile vehicles, industrial and domestic purposes.
- 2 To carry on the business as manufacturers, manufacturer's representatives, exporters, importers, factors, agents, vulcanisers, dealers and distributors of all classes, kinds, types, nature and description of tyres and tubes, belts and allied items, articles and goods made from natural, synthetic and reclaimed rubber, plastics and its compounds, including derivatives and substitutes used for automobile vehicles, industrial and domestic purposes.

COUNTRYWISE EXPORT SALES FOR FINANCIAL YEAR ENDED MARCH 31, 2017

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Philippines	2,090.67	36.19
UAE	614.11	10.63
Peru	510.79	8.84
Turkey	235.46	4.08
Iraq	213.23	3.69
Iran	182.62	3.16
Abidjan	157.89	2.73
Sri Lanka	132.09	2.29
Sudan	125.76	2.18
Bangladesh	117.46	2.03
Ethiopia	109.49	1.90

Name of the Country	Amount (Rs. In Lakhs)	% of the Export Revenue
Egypt	107.42	1.86
Indonesia	95.29	1.65
Saudi Arabia	79.87	1.38
Nigeria	78.11	1.35
Pakistan	77.88	1.35
Nepal	76.11	1.32
Bolvia	71.52	1.24
Ivory cost	69.75	1.21
Jorden	64.91	1.12
Yemen	62.63	1.08
Ghana	58.10	1.01
Kenya	53.67	0.93
Djibouti	51.59	0.89
Honduras	39.37	0.68
Guatemala	36.79	0.64
Chile	32.73	0.57
Nicarague	29.40	0.51
Japan	28.87	0.50
Cote de ivore	28.41	0.49
Angola	22.54	0.39
Sharjah	19.31	0.33
Algeria	14.68	0.25
Morocco	14.55	0.25
Mexico	13.96	0.24
Fiji	7.77	0.13
Brazil	7.08	0.12
Ukrain	6.53	0.11
Tanzania	6.49	0.11
Guyana	6.11	0.11
Lebanon	6.06	0.10
Zimbabwe	5.56	0.10
Malesiya	3.60	0.06
Israel	2.70	0.05
Liberia	2.59	0.04
Romania	2.24	0.04
Cameroon	1.82	0.03
Greece	0.78	0.01
Singapore	0.02	0.00

AMENDMENTS TO THE MOA OF OUR COMPANY SINCE INCORPORATION

Since incorporation, the following Changes have been made to our Memorandum of Association

DATE OF AGM / EGM	CHANGES
March 20, 1997	Increase of authorised capital from Rs. 5,00,000 consisting of 50,000 Equity Shares of Rs. 10/- each to Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10/- each
April 27, 2002	Increase of authorised capital from Rs. 2,00,00,000 consisting of 20,00,000 Equity shares of Rs. 10/- each to Rs. 4,00,00,000 consisting of 40,00,000 Equity shares of Rs. 10/- each
October 30, 2006	Increase of Authorised Capital from Rs. 4,00,00,000 consisting of 40,00,000 Equity Shares of Rs.10/- each to Rs. 5,50,00,000 consisting of 55,00,000 Equity Shares of Rs.10/- each

DATE OF AGM / EGM	CHANGES
November 11, 2009	Increase of Authorised Capital from Rs. 5,50,00,000 consisting of 55,00,000 Equity Shares of Rs.10/- each to Rs. 8,00,00,000 consisting of 80,00,000 Equity Shares of Rs.10/- each
November 08, 2013	Increase of Authorised Capital from Rs. 8,00,00,000 consisting of 80,00,000 Equity Shares of Rs.10/- each to Rs. 9,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10/- each
August 23, 2014	Our Company altered Clause II Registered office of the Company by shifting its registered office from Mumbai to Gujarat and Registrar of Companies issued a certificate dated December 13, 2014 pursuant to the alteration of the situation clause.
September 22, 2014	Increase of Authorised Capital from Rs. 9,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10/- each to Rs. 12,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10/- each and 30,00,000 cumulative Redeemable preference shares
March 27, 2015	Increase of Authorised Capital from Rs. 12,50,00,000 consisting of 95,00,000 Equity Shares of Rs.10/- each and 30,00,000 cumulative Redeemable preference shares of Rs. 10 each to Rs. 13,50,00,000 consisting of 95,00,000 Equity Shares of Rs. 10/- each and 40,00,000 cumulative Redeemable preference shares of Rs. 10 each
March 28, 2015	Increase of Authorised Capital from Rs. 13,50,00,000 consisting of 95,00,000 Equity Shares of Rs. 10/- each and 40,00,000 cumulative redeemable preference shares of Rs. 10 each to Rs. 14,10,00,000 consisting of 1,01,00,000 Equity Shares of Rs. 10/- each and 40,00,000 cumulative preference shares of Rs. 10 each
March 14, 2016	Increase of Authorised Capital from Rs. 14,10,00,000 consisting of 1,01,00,000 Equity Shares of Rs. 10/- each and 40,00,000 cumulative preference shares of Rs. 10 each to Rs. 17,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs. 10/- each and 40,00,000 cumulative preference shares of Rs. 10 each
April 09, 2016	Reclassified Authorised share capital of company as under: Rs. 17,00,00,000 consisting of 1,30,00,000 Equity Shares of Rs. 10 each and 40,00,000 Cumulative Redeemable Preference shares of Rs. 10 each to Rs. 17,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each, 40,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.
January 07, 2017	Increase of Authorised Capital from Rs. 17,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each and 40,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each to Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each, 60,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each.
February 07, 2017	Reclassified Authorised share capital of company as under: Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each, 60,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 25,00,000 Convertible Preference Shares of Rs. 10 each to Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each, 40,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 45,00,000 Convertible Preference Shares of Rs. 10 each
May 25, 2017	Reclassified Authorised share capital of company as under: Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each, 40,00,000 Cumulative Redeemable Preference shares of Rs. 10 each and 45,00,000 Convertible Preference Shares of Rs. 10 each to Rs. 19,00,00,000

DATE OF AGM / EGM	CHANGES
	consisting of 1,05,00,000 Equity Shares of Rs. 10 each and 85,00,000 convertible preference shares of Rs. 10 each
May 25, 2017	Reclassified Authorised share capital of company as under: Rs. 19,00,00,000 consisting of 1,05,00,000 Equity Shares of Rs. 10 each and 85,00,000 convertible preference shares of Rs. 10 each to Rs. 19,00,00,000 consisting of 1,90,00,000 Equity Shares of Rs. 10 each

OUR HOLDING / SUBSIDIARY COMPANY

Our Company has no holding/ subsidiary Company as on date of filing of this Draft Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY OR DEBT

For details in relation to our capital raising activities through equity and debt, please refer to the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on page 217 and 85, respectively, of this Draft Red Herring Prospectus.

REVALUATION OF ASSETS

There has been revaluation of our assets in 1995-96 and 2016-2017 but we have not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

CHANGES IN THE ACTIVITIES OF OUR COMPANY IN THE LAST FIVE YEARS

There has been no change in the activities being carried out by our Company in the last five years.

INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunction or restraining order.

MERGERS AND ACQUISITIONS IN THE HISTORY OF OUR COMPANY

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

SHAREHOLDERS' AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of this Draft Red Herring Prospectus. However, following is the detail of Shareholding agreement entered between various shareholders of our Company.

1. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Vaishali Mankad for purchase of 31,180 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
2. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kothari and Minakshi Mankad for purchase of 2,20,410 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
3. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kothari and Nitinbhai Mankad for purchase of 2,77,300 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
4. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kothari and Riddhi Mankad for purchase of 25,000 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.

5. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Nitinbhai Mankad for purchase of 45,000 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
6. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kothari and Rachit Mankad for purchase of 95,000 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
7. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Sanjay Mankad for purchase of 2,21,660 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.
8. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Vaishali Mankad for purchase of 35,000 Equity Shares. As per the terms of the agreement the said purchase shall be completed on or before December 30, 2018. However, if either of the parties does not fulfill the obligation stated in the agreement by January 31, 2019 the agreements stands terminated.

OTHER AGREEMENTS

Our Company has not entered into any agreements / arrangements except under normal course of business of the Company, as on date of filing of this Draft Red Herring Prospectus.

STRIKES AND LOCK-OUTS

There have been no strikes or lockouts in our Company since incorporation.

TIME AND COST OVERRUNS IN SETTING UP PROJECTS

As on the date of this Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

STRATEGIC PARTNERS

Our Company does not have any strategic partner(s) as on the date of this Draft Red Herring Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from financial institutions and banks into Equity Shares as on the date of this Draft Red Herring Prospectus.

FINANCIAL PARTNERS

As on the date of this Draft Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of this Draft Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has 22 shareholders as on date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, Our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act. Our Company currently has six (6) directors on our Board.

The following table sets forth details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship
1.	Name: Mukesh Desai Age: 61 years Father's Name: Gunvantrai Desai Designation: Chairman and Managing Director Address: 15, Saraswati Society, Opp. Raturaj Complex, vasna road, Baroda – 390015, Gujarat, India Occupation: Business Nationality: Indian Term: Three years from October 01, 2016 and liable to retire by rotation. DIN: 00089598	Appointed as Managing Director – October 01, 2016 Designated as Chairman – April 01, 2017	Public Limited Company <ul style="list-style-type: none"> Kiri Industries Limited Private Limited Company – <ul style="list-style-type: none"> Future Tyres Private Limited Limited Liability Partnership: <ul style="list-style-type: none"> DNDP Solutions LLP
2.	Name: Pradeep Kothari Age: 52 years Father's Name: Ravichandra Kothari Designation: Whole Time Director Address: 3, Manisagar Society, Aditya Bunglows, Near Utsav Row House, Thaltej, Ahmedabad – 380054, Gujarat, India Occupation: Business Nationality: Indian Term: Five years w.e.f. April 1, 2017 and Liable to retire by rotation DIN: 00572331	April 1, 2017	Public Limited Company – Nil Private Limited Company <ul style="list-style-type: none"> Future Tyres Private Limited
3.	Name: Nitinbhai Mankad Age: 67 years Father's Name: Jayantilal Mankad Designation: Whole Time Director Address: 6/A, J.P. Nagar, Old Padra Road, Vadodara 390015, Gujarat, India Occupation: Business Nationality: Indian Term: Two years w.e.f. April 1, 2017 and Liable to retire by rotation DIN: 00089701	April 1, 2017	Public Limited Company <ul style="list-style-type: none"> Nil Private Limited Company – <ul style="list-style-type: none"> Nil Limited Liability Partnership: <ul style="list-style-type: none"> Infinito Auto Industries LLP

Sr. No.	Name, Age, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Date of last Appointment / Re-appointment	Other Directorship
4.	Name: Keyoor Bakshi Age: 60 years Father's Name: Madhusudan Bakshi Designation: Independent Director Address: B 305, Silver Gardenia, opp. vishvanath mahadev temple, S G High way, gota, Ahmedabad 382481, Gujarat, India Occupation: Business Nationality: Indian Term: Three years from June 01, 2015 DIN: 00133588	June 01, 2015	Public Limited Company – <ul style="list-style-type: none"> Gokul Agro Resources Limited Trupti Twisters Limited Kiri Industries Limited Infibeam Incorporation Limited Saanvi Advisors Limited Private Limited Company – <ul style="list-style-type: none"> Quant Broking Private Limited Quant Capital Private Limited MJP Associates Private Limited Aretha Advisors Private Limited Limited Liability Partnership: <ul style="list-style-type: none"> Ardent Ventures LLP
5.	Name: Ganesan Kalyanaraman Age: 60 years Father's Name: Kalyanaraman Designation: Independent Director Address: I-402, 4th Floor, Army welfare Society, Sec-9, Nerul, Navi Mumbai 400706 Occupation: Business Nationality: Indian Term: Three years w.e.f. June 01, 2015 DIN: 02013349	June 01, 2015	Public Limited Company – Nil Private Limited Company <ul style="list-style-type: none"> Jaguar Software Private Limited Xyant Technology India Private Limited Sraeyes Technology Private Limited Jaguar Staffing Solutions Private Limited Varietas Green Energy Engineering Private Limited
6.	Name: Kalpana Joshipura Age: 62 years Husband's Name: Prakash Joshipura Designation: Independent Director Address: 50, Shivr Nagar society, Kanjari Road, Halol, Vadodara 389350, Gujarat, India Occupation: Business Nationality: Indian Term: Three years w.e.f. July 10, 2017 DIN: 07849507	June 15, 2017	Public Limited Company – <ul style="list-style-type: none"> Nil Private Limited Company – <ul style="list-style-type: none"> Nil Limited Liability Partnership: <ul style="list-style-type: none"> Nil

BRIEF BIOGRAPHIES OF OUR DIRECTORS

Mukesh Desai, Promoter, Chairman and Managing Director

Mr. Mukesh Desai, aged 61 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with the company since its inception. He was appointed as director of our Company in the April, 2000 and has been appointed as Managing Director w.e.f October 01, 2016 and

Chairman w.e.f April 01, 2017. He is having engineering background with more than 35 years of techno commercial management experience in multi-product, multi-location project installation and operation of which more than two decades in the industry in which Company operates. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and operates the Company.

Pradeep Kothari, Promoter and Whole Time Director

Pradeep Kothari, aged 52 years is the Promoter and Whole Time Director of our Company. He was appointed as additional director of our company on June 14, 2014 and was regularised on August 23, 2014. He is designated as Whole Time Director of our Company w.e.f. April 1, 2017. He has passed his Higher Secondary Examination from Board of Secondary Education, Rajasthan. He has experience for more than 25 years into Rubber industry. He looks after procurement, finance and also finalizing strategy of our Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.

Nitinbhai Mankad, Whole Time Director

Nitinbhai Mankad, aged 67 years is the Whole Time Director of our Company w.e.f. April 1, 2017. He was appointed as director of our company on April 01, 2000 and is designated as Whole Time Director w.e.f April 1, 2017 for a period of two years and liable to retire by rotation. He has completed Bachelor of Science from Saurashtra University. He looks after government related work, legal operations and new business development of our company.

Keyoor Bakshi, Independent Director

Keyoor Bakshi, aged 60 years is Independent Director of our Company with effect from June 01, 2015. He is Company Secretary by qualification and a member of Institute of Company Secretaries of India, Bachelor of Commerce from Gujarat University and Bachelor of Laws from Gujarat University.

Ganesan Kalyanaraman, Independent Director

Ganesan Kalyanaraman, aged 60 years is Independent Director of our Company with effect from June 01, 2015. He has attained Diploma of Mechanical Engineering with Foundry Technology from State Board of Technical Education and Training, Department of Technical Education. He has completed his Bachelors in Business Administration from University of Madras and has the post graduation Diploma (Operation Management). He has successfully completed *Gemba Kaizen* course from JMA Management Center Inc.

Kalpna Joshipura, Independent Director

Kalpna Joshipura, aged 62 years is an Additional (Independent) Director of our Company with effect from June 15, 2017 and was regularised in the annual general meeting held on July 10, 2017. She holds degree in Ph. D and also degree of Bachelor of Commerce from Saurashtra University. She has received National Award for Best Teacher as a principal of Kalarav School, Halol.

CONFIRMATIONS

As on the date of this Draft Red Herring Prospectus:

1. None of the Directors of our Company are related to each other as per section 2(77) of the Companies Act, 2013.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director or member of the senior management.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the above mentioned Directors are on the RBI List of willful defaulters.

5. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) or (b) delisted from the stock exchanges during the term of their directorship in such companies.
6. None of the Promoter, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

REMUNERATION/COMPENSATION PAID TO DIRECTORS

Except as mentioned below, no other current Directors have received remuneration during the last financial year ended on March 31, 2017.

Name of the Directors	Amount (in Lakhs)
Mukesh Desai	27.00
Pradeep Kothari	10.50
Nitinbhai Mankad	10.50

Compensation to our Managing Director

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule V to the Companies Act, 2013 and Articles of Association of the Company.

Terms and conditions of employment of our Director:

1. Mukesh Desai, Promoter, Chairman and Managing Director

Mukesh Desai is the Promoter, Chairman and Managing Director of our Company. He has been director of our Company since April 1, 2000 and has been designated as Managing Director w.e.f October 01, 2016 and Chairman w.e.f. April 01, 2017 for a period of three years and liable to retire by rotation. The terms and conditions of his employment are as follows:

Remuneration	Rs. 2.25 Lakhs per month
Term of appointment	3 Years
Perquisites	Car with Driver and Telephone. Subject to overall ceiling on remuneration, the managing director may be given other allowances, benefits and perquisites, as may be decided by the board of directors from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual basic salary. In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.

2. Pradeep Kothari

Pradeep Kothari is the Promoter and Whole Time Director of our Company. He was appointed as additional director of our company on June 14, 2014 and was regularised on August 23, 2014. He is designated as Whole Time Director of our Company w.e.f. April 1, 2017 for a period of five years and liable to retire by rotation. An agreement was entered between the company and Pradeep Kothari dated June 6, 2017 for defining the terms and conditions of his employment are as follows:

Remuneration	Rs. 10.50 Lakhs p.a.
Term of appointment	5 Years
Perquisites	Travelling conveyance

3. Nitinbhai Mankad

Nitinbhai Mankad, aged 67 years is the Whole Time Director of our Company w.e.f. April 1, 2017. He was appointed as director of our company on April 01, 2000 and is designated as Whole Time Director w.e.f April 1, 2017 for a period of two years and liable to retire by rotation. An agreement was entered between the company and Nitinbhai Mankad dated June 06, 2017 for defining the terms and conditions of his employment are as follows:

Remuneration	Rs. 10.50 Lakhs p.a.
Term of appointment	2 Years
Perquisites	Travelling conveyance

OTHER CONFIRMATIONS

As on the date on this Draft Red Herring Prospectus:

1. There is no contingent or deferred compensation payable to any Director, Managing Director which has accrued for this year and payable in current or any future period.
2. No compensation was paid to any Director pursuant to bonus or profit sharing plan.

SHAREHOLDING OF OUR DIRECTORS IN THE COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. Except as stated below no other directors have shareholding in our Company.

The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Director	No. of Equity Shares	% of Pre Issue Equity Capital	% of Post Issue Share Capital
1.	Mukesh Desai	6,09,267	5.21	[●]
2.	Pradeep Kothari	34,95,676	29.89	[●]
3.	Nitinbhai Mankad	3,47,300	2.97	[●]

INTERESTS OF DIRECTORS

Interest in promotion of our Company

Our Directors may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. For further details, refer to chapter titled “Related Party Transactions” beginning on page 215 of this Draft Red Herring Prospectus.

Interest in the property of our Company

Our Directors do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of filing of this Draft Red Herring Prospectus.

Interest as member of our Company

As on date of this Draft Red Herring Prospectus, our Directors together hold 44,52,243 Equity Shares in our Company i.e. 38.07% of the pre issue paid up share capital of our Company. Therefore, our Directors are interested to the extent of their respective shareholding and the dividend declared and other distributions, if any, by our Company.

Interest as a Creditor of our Company

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “Financial Indebtedness” and heading titled “Related Party Transactions” under chapter titled “Financial Statements as Restated” our Company has not availed loans from Directors of our Company.

Interest as Director of our Company

Except as stated above and in the chapters titled “*Financial Statements as Restated*” and “*Capital Structure*” beginning on pages 217 and 85 respectively of this Draft Red Herring Prospectus our Directors, may deemed to be interested to the extent of remuneration, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and AoA of our Company.

Interest as Key Managerial Personnel of our Company

Mukesh Desai, Promoter, Chairman and Managing Director, Pradeep Kothari, Promoter and Whole Time Director and Nitinbhai Mankad, Whole Time Director of the Company are the Key Managerial Personnel of the Company and may deemed to be interested to the extent of remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreement entered into with our Company, if any and AoA of our Company and to the extent of Equity Shares held by them in our Company. They may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. Other than as disclosed above, no other Director is interested as Key Managerial Personnel of the Company. For further details, please refer to heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page 217 of this Draft Red Herring Prospectus Red Herring.

Interest in transactions involving acquisition of land

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land. Except as stated/referred to under the heading titled “*Land and Property*” under chapter titled “*Our Business*” beginning on page 151 of this Draft Red Herring Prospectus, our Promoters has not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Promoters are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Other Indirect Interest

Except as stated in chapter titled “*Financial Statements as Restated*” beginning on page 217 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

Interest in the Business of Our Company

Except as stated in “*Related Party Transactions*” in the chapter titled “*Financial Statements as Restated*” beginning on page 217 of this Draft Red Herring Prospectus, our Directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus.

SHAREHOLDING OF DIRECTORS IN SUBSIDIARIES AND ASSOCIATE COMPANIES

As on the date of Draft Red Herring Prospectus our Company does not have any other Associate Company.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Following are the changes in directors of our Company in last three years prior to the date of this Draft Red Herring Prospectus:

Name	Date of event	Nature of event	Reason
Kalpesh Shah	June 14, 2014	Cessation	Resigned as Director
Girish Patel	June 14, 2014	Cessation	Resigned as Director
Sanjay Mankad	June 14, 2014	Cessation	Resigned as Director
Narendra Shah	June 14, 2014	Cessation	Resigned as Director
Pradeep Kothari	June 14, 2014	Appointment	Appointed as Additional Director
Bipin Mankad	June 16, 2014	Cessation	Resigned as Director
Pradeep Kothari	August 23, 2014	Change in designation	Regularisation of director
Subramanian Narayana	April 08, 2015	Cessation	Resigned as Director
Kalyanraman Ganeshan	June 01, 2015	Appointment	Appointed as Independent Director
Keyoor Bakshi	June 01, 2015	Appointment	Appointed as Independent Director
Nitin Mankad	October 01, 2016	Change in Designation	Appointment as Executive Director
Mukesh Desai	October 01, 2016	Appointment	Appointed as Managing Director
Pradeep Kothari	April 01, 2017	Change in designation	Designated as Whole Time Director
Nitin Mankad	April 01, 2017	Change in designation	Designated as Whole Time Director
Kalpana Joshipura	June 15, 2017	Appointment	Appointed as Additional (Independent) Director
Kalpana Joshipura	July 10, 2017	Regularisation	Regularised as Independent Director

BORROWING POWERS OF THE BOARD

Pursuant to a special resolution passed at the Extraordinary General Meeting of our Company held on May 25, 2017 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 as amended from Time to Time, and rules made there under and the Board of Directors (including committees) of the Company be and is hereby authorized to borrow money on such terms and conditions as may be considered and suitable by the Board of Directors up to a limit of Rs. 130 crores notwithstanding that the money(s) to be borrowed together with the money(s) already borrowed by the Company (apart from the Temporary Loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves of the Company.

CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to corporate governance, provisions of the SEBI Listing Regulations will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The Corporate governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are 6 Directors on our Board out of which one half are independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations, the Equity Listing Agreements and the Companies Act, 2013.

The following committees have been constituted in terms of SEBI Listing Regulations and the Companies Act, 2013.

- A. Audit Committee
- B. Stakeholders Relationship Committee
- C. Nomination and Remuneration Committee

A) Audit Committee

Our Company has re-constituted an audit committee ("**Audit Committee**"), as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on June 15, 2017.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises the following three (3) directors:

Name of the Directors	Status	Nature of Directorship
Keyoor Bakshi	Chairman	Independent Director
Kalyanaraman Ganeshan	Member	Independent Director
Mukesh Desai	Member	Chairman and Managing Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The Audit Committee shall have following powers:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- 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 Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

The role of the Audit Committee not limited to but includes:

- 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - 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;
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Red Herring Prospectus/ Red Herring Prospectus / 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.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors any significant findings and follow up there on.
15. 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.
16. 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.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

21. To investigate any other matters referred to by the Board of Directors.

22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Meeting of Audit Committee and relevant Quorum

The audit committee shall meet at least 4 times in a year and not more than 4 months shall elapse between 2 meetings. The quorum shall be either 2 members or one third of the members of the Audit Committee whichever is greater, but there shall be a minimum of 2 Independent Directors, who are members, present.

B) Stakeholder's Relationship Committee

Our Company has constituted a shareholder / investors grievance committee ("*Stakeholders' Relationship Committee*") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on June 15, 2017.

The Stakeholders' Relationship Committee comprises the following Directors:

Name of the Directors	Status	Nature of Directorship
Kalpana Joshipura	Chairperson	Independent Director
Mukesh Desai	Member	Chairman and Managing Director
Pradeep Kothari	Member	Whole Time Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholder's Relationship Committee and its terms of reference shall include the following:

A. Tenure: The Stakeholder's Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder's Relationship Committee as approved by the Board.

B. Meetings: The Stakeholder's Relationship Committee shall meet as and when required and shall report to the Board regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

C. Role of the Stakeholder's Relationship Committee:

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Efficient transfer of shares including review of cases for refusal of transfer/transmission of shares and debentures;
2. Redressal of security holder's/investor's complaints efficient transfer of shares; including review of cases for refusal of transfer/transmission of shares and debentures;
3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances;
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;

C) Any other power specifically assigned by the Board of Directors of the Company **Nomination and Remuneration Committee**

Our Company has re-constituted a Nomination and Remuneration Committee in accordance section 178 of Companies Act 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on June 15, 2017. The said committee is comprised as under:

The Nomination and Remuneration Committee comprises the following Directors:

Name of the Director	Status	Nature of Directorship
Kalpana Joshipura	Chairperson	Independent Director
Keyoor Bakshi	Member	Independent Director
Kalyanaraman Ganeshan	Member	Independent Director

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

1) Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

2) Meetings: The committee shall meet as and when the need arise for review of Managerial Remuneration or anyother activity as the committee deems fit. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Nomination and Remuneration Committee shall be called by at least seven day's notice in advance.

3) Role of the Nomination and Remuneration Committee not limited to but includes:

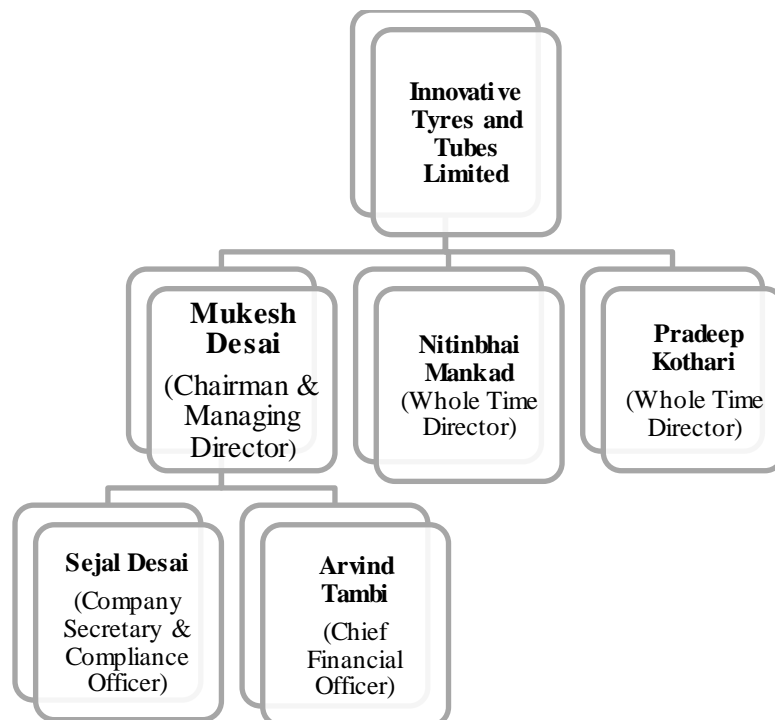
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, 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.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading:

The provisions of Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the EMERGE Platform of National Stock Exchange of India Limited. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on June 15, 2017 have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

Sejal Desai, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the board.

ORGANISATIONAL STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

The details of our Key Managerial Personnel are set out below:

Mukesh Desai, Promoter, Chairman and Managing Director

Mr. Mukesh Desai, aged 61 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with the company since its inception. He was appointed as director of our Company in the April, 2000 and has been designated as Managing Director w.e.f October 01, 2016 and Chairman w.e.f April 01, 2017. He is having engineering background with more than 35 years of techno commercial management experience in multi-product, multi-location project installation and operation of which more than two decades in the industry in which Company operates. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and operates the Company

Pradeep Kothari, Promoter and Whole Time Director

Pradeep Kothari, aged 52 years is the Promoter and Whole Time Director of our Company. He was appointed as additional director of our company on June 14, 2014 and was regularised on August 23, 2014. He is designated as Whole Time Director of our Company w.e.f. April 1, 2017. He has passed his Higher Secondary Examination from Board of Secondary Education, Rajasthan. He has experience for more than 25 years into Rubber industry. He looks after procurement, finance and also finalizing strategy of our Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.

Nitinbhai Mankad, Whole Time Director

Nitinbhai Mankad, aged 67 years is the Whole Time Director of our Company w.e.f. April 1, 2017. He was appointed as director of our company on April 01, 2000. He has completed Bachelor of Science from Saurashtra University. He looks after government related work, legal operations and new business development of our company.

Arvind Tambi, Chief Financial Officer

Arvind Tambi, aged 53 years has been appointed as the Chief Financial Officer of our Company with effect from February 10, 2017. He is Chartered Accountant by qualification and member of The Institute of Chartered Accountants of India and also qualified Company Secretary & member of The Institute of Company Secretaries of India. He has an aggregate experience of more than 30 years in various positions of Finance. He is responsible for looking after accounting, finance and taxation of our Company.

Sejal Desai, Company Secretary and Compliance Officer

Sejal Desai, aged 24 years is Company Secretary of our Company with effect from July 01, 2016 and Compliance Officer w.e.f. April 01, 2017. She is a Company Secretary by qualification and a member of Institute of Company Secretaries of India. She looks after the Legal and Compliance Department of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the key managerial personnel are related to the each other within the meaning of Section 2 (77) of the Companies Act, 2013. All of Key Managerial Personnel are permanent employees of our Company.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel have been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as mentioned below, none of our Key Managerial Personnel holds any Equity shares of our company as on the date of this Draft Red Herring Prospectus.

Sr. No.	Name of the Key Managerial Personnel	No. of Shares held
1.	Mukesh Desai	6,09,267
2.	Pradeep Kothari	34,95,676
3.	Nitinbhai Mankad	3,47,300

BONUS OR PROFIT SHARING PLAN OF THE KEY MANAGERIAL PERSONNEL

Our Company has not entered into any Bonus or Profit Sharing Plan with any of the Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

LOANS TO KEY MANAGERIAL PERSONNEL

Our company has not given any loans and advances to the Key Managerial Personnel as on the date of this Draft Red Herring Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon and other distributions in respect of such equity shares, if any. Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Except as stated in the chapters “*Our Management*” and “*Related Party Transactions*” beginning on pages 194 and 215 respectively of this Draft Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Name of Managerial Personnel	Date of Event	Nature of event	Reason
Sejal Desai	July 01, 2016	Appointment	Appointment as Company Secretary
Mukesh Desai	October 01, 2016	Designation	Appointment as Managing Director
Arvind Tambi	February 10, 2017	Appointment	Appointed as Chief Financial Officer
Pradeep Kothari	April 1, 2017	Re-designation	Designated as Whole Time Director
Nitinbhai Mankad	April 1, 2017	Re-designation	Designated as Whole Time Director
Mukesh Desai	April 1, 2017	Designation	Designated as Chairman
Sejal Desai	April 01, 2017	Designation	Designated as Compliance Officer

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have any ESOP/ESPS Scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS (NON SALARY RELATED)

Except as disclosed in the heading titled “*Related Party Transactions*” in the section titled “*Financial Statements as Restated*” beginning on page 217 of this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the three preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as officers or employees.

OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are Mukesh Desai and Pradeep Kothari. As on date of this Draft Red Herring Prospectus, our Promoters holds 41,04,943 Equity Shares representing 35.10% of the pre-issue Paid up Capital of our Company.

Brief profile of our Individual Promoters is as under:

	<p>Mukesh Desai, Promoter, Chairman and Managing Director</p> <p>Mr. Mukesh Desai, aged 61 years is the Promoter, Chairman and Managing Director of our Company. He has been associated with the company since its inception. He was appointed as director of our Company in the April, 2000 and has been designated as Managing Director w.e.f October 01, 2016 and Chairman w.e.f April 01, 2017. He is having engineering background with more than 35 years of techno commercial management experience in multi-product, multi-location project installation and operation of which more than two decades in the industry in which Company operates. He has been instrumental in formulating the business strategies of our Company and is entrusted with the responsibility of looking after the overall management and operates the Company</p> <p>Nationality: Indian Passport No: J0711035 Driving License: NA Voters ID: RWR3031713</p> <p>Address: 15, Saraswati Society, Vasna Road, Opp. Ruturaj Complex, Vadodara – 390015, Gujarat, India</p> <p>For further details relating to Mukesh Desai, including terms of appointment as Chairman & Managing Director and other directorships please refer to the chapter titled “Our Management” beginning on page 194 of this Draft Red Herring Prospectus.</p>
	<p>Pradeep Kothari, Promoter and Whole Time Director</p> <p>Pradeep Kothari, aged 52 years is the Promoter and Whole Time Director of our Company. He was appointed as additional director of our company on June 14, 2014 and was regularised on August 23, 2014. He is designated as Whole Time Director of our Company w.e.f. April 1, 2017. He has passed his Higher Secondary Examination from Board of Secondary Education, Rajasthan. He has experience for more than 25 years into Rubber industry. He looks after procurement, finance and also finalizing strategy of our Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.</p> <p>Nationality: Indian Passport No: M1775033 Driving License: GJ01 20000116670 Voters ID: GJ/11/064/0805354</p> <p>Address: 3, Manisagar Society, Aditya Bunglows Nr. Utsav Row House, Thaltej Ahmedabad – 380054, Gujarat, India</p>

	For further details relating to Pradeep Kothari, including terms of appointment as Whole Time Director and other directorships please refer to the chapter titled “Our Management” beginning on page 194 of this Draft Red Herring Prospectus.
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DECLARATION

Our Company confirms that the Permanent Account Number, Bank Account Number and Passport Number of our Promoters have been submitted to the Stock Exchange at the time of filing of this Draft Red Herring Prospectus with it.

INTEREST OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding and the dividend receivable, if any and other distributions in respect of the Equity Shares held by them. For details regarding shareholding of our Promoters in our Company, please refer “*Capital Structure*” on page 85 of this Draft Red Herring Prospectus.

Some of our Promoters may also be deemed to be interested in our Company to the extent of their shareholding in our Group Companies with which our company transacts during the course of its operations.

Our Promoters are the Directors and KMP of our Company and may be deemed to be interested to the extent of remuneration and/ or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any and AoA of our Company. For details refer to the chapter titled “*Our Management*”, “*Financial Statements*” and “*Capital Structure*” beginning on pages 194, 217 and 85 respectively of this Draft Red Herring Prospectus.

Except as mentioned in the chapter titled “Our Business” under “Land & Property”, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

For details of related party transactions entered into by our Company during last financial year with our Promoters and Group Companies, the nature of transactions and the cumulative value of transactions, see “*Related Party Transactions*” on page no 215 of this Draft Red Herring Prospectus.

OTHER VENTURES OF OUR PROMOTERS

Save and except as disclosed in the chapter titled “*Our Promoter and Our Promoter Group*” and “*Group Companies*” beginning on page 208 and 212 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests / other interests.

RELATED PARTY TRANSACTIONS

For details of related party transactions entered into by our Promoters, members of our Promoter Group and Company during the last financial year, the nature of transactions and the cumulative value of transactions, refer chapter titled “*Related Party Transactions*” on page 215 of this Draft Red Herring Prospectus.

PAYMENT OR BENEFITS TO PROMOTER

Except as stated otherwise in the chapter titled “*Related Party Transactions*” on page 215 of this Draft Red Herring Prospectus, there have been no payments or benefits to the Promoters during the two years prior to filing of this Draft Red Herring Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

A. Individuals related to our Promoter:

Relationship with Promoters	Mukesh Desai	Pradeep Kothari
Father	-	Ravichandra Kothari
Mother	-	Premila Kothari
Brother	Pradeep Desai	NA
Sister	Archana Jhala	Mala Vora
Spouse	Kashmira Desai	Rajeshree Kothari
Son	Nihar Desai	Manthan Kothari Harsh Kothari
Daughter	Chandani Desai	NA
Spouse's Father	Vinayakbhai Chhaya	Hasmukhbhai Shah
Spouse's Mother	Harshida Chhaya	-
Spouse's Brother	Jagdeep Chhaya	Mahesh Shah Ketan Shah
Spouse's Sister	NA	NA

B. Companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- Gaia Batteries Private Limited
- Raman Enterprise
- Pradeep Ravichandra Kothari HUF
- Kosyanc
- Future Tyres Private Limited
- Green City Infrastructure
- Chemi carb
- DNDP Solutions LLP
- 3R Enterprises LLP

RELATIONSHIP OF PROMOTERS WITH OUR DIRECTORS

None of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

DISASSOCIATION BY THE PROMOTERS IN THE LAST THREE YEAR

Our Promoter Pradeep Kothari have disassociated himself from Veparseva Healthcare Private Limited, Kodixodel Private Limited and Parag Pentachem Private Limited and Mukesh Desai from Sanjay Associate during preceding three years.

CHANGES IN CONTROL

There has been no change in the management or control of our Company in the last three years.

LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, refer to the chapter titled "*Outstanding Litigation and Material Developments*" on page 265 of this Draft Red Herring Prospectus.

CONFIRMATIONS

Our Company, our individual Promoters and their relatives (as defined under the Companies Act, 2013) are not Wilful Defaulters and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters 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 Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in “*Related Party Transactions*” on page 215 of this Draft Red Herring Prospectus, our Promoters are not related to any of the sundry debtors or are not beneficiaries of Loans and Advances given by/to our Company.

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, for the purpose of identification of “Group Companies”, our Company has considered companies as covered under the applicable accounting standards, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountant of India and such other companies as considered material by our Board. Pursuant to a resolution dated June 15, 2017, our Board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 no other Company is material in nature. Further, companies which have not been disclosed as related parties in the restated financial statements of our company for the last five financial years or which are no longer associated with our Company have not be disclosed as Group Companies.

Based on the above, the following are our Group Companies:

1. Future Tyres Private Limited (FTPL)
2. GAIA Batteries Private Limited (GAIA)

Following are the details of our unlisted Group Companies:

1. Future Tyres Private Limited (FTPL)

Corporate Information:

Future Tyres Private Limited is a Private Company originally incorporated under the provisions of Companies Act, 1956 on June 03, 2011. The registered office of the Company is situated at Plot No. 29 & 30, GIDC Estate, Kalol, Panch Mahal 389330, Gujarat, India. The current paid up capital of FTPL is Rs. 698.10 Lakhs. The Corporate Identification Number of FTPL is U25113GJ2011PTC065716.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business of Manufacturers, distributors, agents, traders, dealers, exporters, importers, factors, consignors and consignees of all kinds, types and sizes of automotive tires, tread tyre, rim tyre, retread tyre, precured tread, polyester and nylon tyre cord fabrics, dipped tyre cord fabric and undipped tyre cord fabric tyre, inner tubes, tyre flaps used in automobiles industries.

Nature and Extent of Interest of our Promoters:

Our Promoter Pradeep Kothari holds 25,00,000 Equity Shares of Rs. 10 each, aggregating to 35.81% of the issued and paid up share capital of FTPL. Further our Promoter Mukesh Desai also holds 4,81,000 Equity Shares of Rs. 10 each, aggregating to 6.89% of the issued and paid up share capital of FTPL. Further our promoters are also Directors of FTPL and may be deemed to be interested in FTPL to that extent.

Audited Financial Performance:

Amount (Rs. in lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Equity Paid Up Capital	698.10	698.10	698.10
Reserves and Surplus	(60.45)	(71.65)	(71.85)
Net Asset Value per equity share (in Rs.)	9.13	8.97	8.97

2. GAIA Batteries Private Limited (GAIA)

Corporate Information:

GAIA Batteries Private Limited is a Private Limited Company incorporated on February 03, 2012 under the provisions of Companies Act, 1956 and has its registered office at 15, Saraswati Society, Opp. Raturaj Complex, Vasna Road, Vadodara-390015, Gujarat, India. The current paid up capital of GAIA is Rs. 60.00 Lakhs. The Corporate Identification Number of GAIA is U31402GJ2012PTC068862.

In terms of its Memorandum of Association, it is, inter-alia, carrying on the business as manufacturers, producers, fabricators, processors, buyers, sellers, assemblers, importers, exporters, traders and dealers in rechargeable battery, DC battery, battery rechargers, commercial battery, industrial battery and automatic battery chargers and other charge storage devices that includes battery chargers, automotive

battery chargers, power battery chargers and inverter battery chargers, battery chargers, single phase input battery chargers, three phase input battery charger, automatic battery chargers, compact battery chargers and manual battery chargers and rechargeable torches, L.E.D. rechargeable torches cell torches, Emergency lights, L.E.D Lights, L.E.D Fixtures, Inverter, UPS, Home UPS, Single Phase/Three Phase industrial UPS, Single phase/Three phase industrial inverter, 2 volt batteries, stabilizer server stabilizer and to do all other activities to achieve the above objectives.

Nature and Extent of Interest of our Promoters:

None of our Promoters hold any equity shares in GAIA. Further neither of them are on the board of directors of GAIA.

Audited Financial Performance:

(Rs. in lakhs)

Particulars	March 31, 2016	March 31, 2015	March 31, 2014
Equity Share Capital	60.00	1.00	1.00
Reserves and Surplus	(25.04)	(7.46)	(6.53)
Net Asset Value per equity share (in Rs.)	5.83	(64.56)	(55.34)

Related Party Transactions

For details on related party transactions please refer to Financial Statements, as restated “Annexure T” Restated Statement of Related Parties Transactions on page 217 of this Draft Red Herring Prospectus.

Other disclosures:

Except as disclosed in this chapter, None of our Group Companies have remained defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing the Draft Red Herring Prospectus.

None of our Group Companies are under any winding up proceedings.

None of our Group Companies have taken any unsecured loans from our Company.

None of our Group Companies are listed on any of the Stock Exchanges and they have not made any public/ rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

Companies with negative net worth:

None of our Group Companies have negative Net Worth as per the last audited financial statements mentioned herein.

Nature and Extent of Interest of Group Companies:

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus.

(c) Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see Financial Statements, as restated “Annexure T” – Restated Statement of Related Parties Transactions on page 217 of this Draft Red Herring Prospectus.

(d) Unsecured Loans extended to our Company

In addition to the above, none of our Group Companies have extended unsecured loans to our Company, as on March 31, 2017. For further details, please refer to the chapter titled—Financial Statements, as restated “Annexure T” – Restated Statement of Related Parties Transactions on page 217 of this Draft Red Herring Prospectus.

Common Pursuits amongst the Group Companies with our Company

As on the date of filing of the Draft Red Herring Prospectus, one of our Group Company, Future Tyres Private Limited is involved in business competing with that of our Company. FTPL has objects similar to that of our Company’s business.

Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situations as and when it arises. Further, we have not entered into any non compete or similar arrangement with these Group Companies or otherwise with our Promoters. Accordingly, there can be no assurance that these Group Companies will not in future engage in any competing business activity or acquire interests in competing ventures.

Sale/Purchase between Group Companies exceeding in value in aggregate of 10% of total sales or purchases of our Company

For details please refer to “Financial Statements”, as restated “Annexure T” Restated Statement of Related Parties Transactions on page 217 of this Draft Red Herring Prospectus.

Payment of Amount or Benefits to our Group Companies during the Last Two Years

Except as stated in Financial Statements, as restated Annexure T Restated Statement of Related Parties Transactions on page 217 of this DRHP, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Draft Red Herring Prospectus.

Business Interest of Group Entities

Other than as stated above and as mentioned in “Financial Statements, as restated” “Annexure T” Restated Statement of Related Parties Transactions on page 217 of this Draft Red Herring Prospectus, none of our Group Entities have any business interest in our Company.

Litigation

For details on litigations and disputes pending against the Promoter and Group Companies and defaults made by them, please refer to the chapter titled, “Outstanding Litigations and Material Developments” on page 265 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure T of restated financial statement under the section titled, '*Financial Statements*' beginning on page 217 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian company pays dividends upon a recommendation by its Board of Directors and approval by a majority of the shareholders. Under the Companies Act, 2013 dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both. Our Company does not have a formal dividend policy. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion. Our Company has not paid any dividend for the last five years. Dividends are payable within 30 days of approval by the Equity Shareholders at the annual general meeting of our Company. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the record date are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

SECTION V – FINANCIAL STATEMENTS
FINANCIAL STATEMENTS AS RE-STATED

Independent Auditor’s Report for the Restated Financial Statements of Innovative Tyres & Tubes Limited

To,
The Board of Directors,
 Innovative Tyres & Tubes Limited
 Regd. Office: Govind Krupa Bungalow,
 Ground Floor, Opp. 15, Alkapuri Society, Behind Alkapuri Police Chowky,
 R C Dutt Road,
 Vadodara- 390 007.

We have examined the attached Restated Statement of Assets and Liabilities of **Innovative Tyres & Tubes Limited (the Company)** as at, March 31st, 2017, 2016, 2015, 2014 & 2013 and the related Restated Statement of Profit & Loss and Restated Statement of CashFlow for the financial year ended on March 31st, 2017, 2016, 2015, 2014, 2013 (collectively the **”Restated Summary Statements”** or **”Restated Financial Statements”**). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) in EMERGE Platform of National Stock of Exchange Limited (NSE).

1. Report on Restated Financial Statements

The Restated Summary Statements have been prepared in accordance with the requirements of:

- i. Part I of Chapter III to the Companies Act, 2013 (**“Act”**) read with Companies (Prospectus and Allotment of Securities) Rules 2014.
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**“the Regulation”**) (**“SEBI ICDR Regulations”**) issued by the Securities and Exchange Board of India (SEBI) in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments/clarifications made thereto from time to time;
 - iii. The terms of reference to our engagements with the Company requesting us to examine financial restated statements referred to above and proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform (**“IPO”** or **“SME IPO”**); and
 - iv. The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (**“ICAI”**)
2. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the financial year ended on March 31st, 2017, 2016, 2015, 2014 & 2013, which have been approved by the Board of Directors.
 3. Financial Statements for the financial year ended on March 31, 2013, March 31, 2014, March 31, 2015, March 31, 2016 and March 31, 2017 has been audited by Parikh Mehta & Associates Chartered Accountants, and accordingly reliance has been placed on the financial information examined by them for the said years. The Financial Report included for these years is based solely on the audited report submitted by them. We have also carried out re-audit for the purpose of restatement of the financial statements for the year ended on March 31st, 2017 as per the relevant guidelines.

4. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
 - i. The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - ii. The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for the year ended on, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - iii. The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for the year ended on, March 31, 2017, 2016, 2015, 2014 and 2013 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.
5. Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the years ended on March 31, 2017, 2016, 2015, 2014 and 2013 we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:
 - 1) Adjustments for any prior period and material amounts in the respective financial years have been made to which they relate; and
 - 2) Extra-ordinary items has been disclosed separately in the Restated Summary Statements.
 - 3) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the financial statements of the respective year of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - 4) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods.
 - 5) Revaluation reserves have been disclosed separately in the “**Restated Financial Statements** .
 - 6) The Company has not paid any dividend on its equity shares for the financial years under restatement.
 - 7) These Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Restated Summary Statements as set out in **Annexure IV** to this report.

6. We have also examined the following other financial information relating to the Company as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the year ended on March 31st, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus (“Offer Document”).

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B, B(A)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Other Long Term Liabilities	Annexure-D
Restated Statement of Long Term Provisions	Annexure-E
Restated Statement of Trade Payables	Annexure-F
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-G
Restated Statement of Fixed Assets	Annexure-H
Restated Statement of Non Current Investments	Annexure-I
Restated Statement of Long-Term Loans And Advances	Annexure-J
Restated statement of Other Non Current Assets	Annexure-K
Restated Statement of Inventory	Annexure-L
Restated Statement of Trade Receivables	Annexure-M
Restated Statement of Cash & Cash Equivalents	Annexure-N
Restated Statement of Short-Term Loans And Advances	Annexure-O
Restated Statement of Other Current Assets	Annexure-P
Restated Statement of Turnover	Annexure-Q
Restated Statement of Other Income	Annexure-R
Restated Statement of Mandatory Accounting Ratios	Annexure-S
Restated Statement of Related party transaction	Annexure-T
Restated Statement of Capitalization	Annexure-U
Restated Statement of Tax shelter	Annexure-V
Reconciliation of restated profit	Annexure-W
Restated Statement of Contingent liabilities	Annexure-X
Restated Statement of Segment Reporting	Annexure-Y

7. We, **M/s Maloo Bhatt & Co.**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the “Peer Review Board” of the ICAI.
8. We have carried out Re-audit of the financial statements for the Year ended on March 31, 2017 as required by SEBI regulations for the purpose of restatement. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2017. Further we have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act & ICDR Regulation. The Financial Information referred to above is the responsibility of the management and approved by the board of directors of the Company.
10. In our opinion, the above financial information contained in Annexure I to IV of this report read with the respective Significant Accounting Policies and Notes to Restated Summary Statements as set out in Annexure A to X are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.

11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by any other chartered accountant nor should this constructed as a new opinion on any of the financial statements referred to herein.
12. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the SME-IPO for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

For Maloo Bhatt & Co.
Chartered Accountants
Firm Registration No. 129572 W

Yash Bhatt
Partner
M No. 117745

Date: Vadodara
Place: June 30, 2017

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED
ANNEXURE-I
(Rs. in Lacs)

Sr. No.	Particulars	As March 31,				
		2017	2016	2015	2014	2013
1)	Equity & Liabilities					
	Share holders' funds					
	a. Share capital	1,694.81	1,309.31	934.31	934.31	784.31
	b. Reserves & surplus	2,891.79	2,483.94	2,294.85	1,882.49	1,656.89
	Sub-total	4,586.60	3,793.25	3,229.16	2,816.80	2,441.20
2)	Share Application Money Pending Allotment	-	228.00	375.00	-	-
3)	Non-current liabilities					
	a. Long-term borrowings	354.07	16.00	227.10	509.05	1,055.34
	b. Deferred tax liabilities (net)	748.64	735.87	702.81	644.84	528.48
	c. Other Long Term Liabilities	2,528.96	2,375.64	2,457.55	2,500.85	2,075.78
	d. Long-term provisions	85.36	69.12	61.51	26.54	34.89
	Sub-total	3,717.03	3,196.63	3,448.97	3,681.28	3,694.49
4)	Current liabilities					
	a. Short-term borrowings	1,573.97	1,690.16	1,668.21	1,496.63	1,433.10
	b. Trade payables	2,511.59	2,956.59	3,662.28	1,967.40	1,750.04
	c. Other current liabilities	512.90	542.36	935.90	736.69	710.14
	d. Short term provisions	236.12	152.26	268.04	245.73	158.76
	Sub-total	4,834.58	5,341.37	6,534.43	4,446.45	4,052.04
	T O T A L (1+2+3+4)	13,138.21	12,559.25	13,587.56	10,944.53	10,187.73
5)	Non-current assets					
	a. Fixed assets					
	i. Tangible assets	5,788.69	5,999.96	5,975.38	6,083.94	6,059.12
	ii. Intangible assets	0.41	0.57	0.73	13.60	26.29
	iii. Capital Work-in Progress	1,529.57	1,303.97	1,351.01	844.95	527.94
	Sub-total	7,318.67	7,304.50	7,327.12	6,942.49	6,613.35
	b. Non-Current Investments	0.33	0.33	0.33	0.33	0.33
	c. Deferred Tax Assets (Net)	-	-	-	-	-
	d. Long term loans & advances	81.63	156.37	295.11	231.37	141.87
	e. Other non-current assets	-	-	-	-	-
	Sub-total	81.96	156.70	295.44	231.70	142.20
6)	Current assets					
	a. Inventories	3,064.14	2,097.45	2,751.68	1,882.55	2,065.42
	b. Trade receivables	1,434.69	1,568.97	2,005.31	786.92	483.63
	c. Cash and bank balances	427.19	387.10	393.87	366.16	321.87
	d. Short term loans & advances	105.98	53.31	136.96	106.87	115.77
	e. Other current assets	705.58	991.22	677.18	627.84	445.49
	Sub-total	5,737.58	5,098.05	5,965.00	3,770.34	3,432.18
	T O T A L (5+6)	13,138.21	12,559.25	13,587.56	10,944.53	10,187.73

STATEMENT OF PROFIT AND LOSS AS RESTATED
ANNEXURE II
(Rs. in Lacs)

Sr. No.	Particulars	As March 31				
		2017	2016	2015	2014	2013
1	INCOME					
	Revenue From Operation (Gross)	13,636.98	12,735.08	13,169.70	12,734.44	10,524.38
	Less: Excise Duty	419.38	379.87	265.02	132.61	277.41
	Revenue From Operation (Net)	13,217.60	12,355.21	12,904.68	12,601.83	10,246.97
	Other income	36.17	235.06	147.78	55.97	54.66
	Total revenue (A)	13,253.77	12,590.27	13,052.46	12,657.80	10,301.63
2	EXPENDITURE					
	Cost of Goods Consumed	8,581.81	6,943.60	8,683.90	7,586.90	6,504.39
	Purchase of Traded Goods	-	-	-	-	-
	Changes in Inventories of finished goods, work in progress and stock -in-trade	-983.75	574.21	-564.33	58.74	-550.01
	Employee Benefit Expenses	516.45	466.50	420.45	364.87	375.31
	Finance costs	420.14	518.83	450.72	446.22	563.43
	Depreciation and amortization expenses	400.08	386.36	260.79	191.49	177.29
	Other expenses	3,701.06	3,284.10	3,330.60	3,667.62	3,010.43
3	Total expenses (B)	12,635.79	12,173.60	12,582.13	12,315.84	10,080.84
	Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	617.98	416.67	470.33	341.96	220.79
	Exceptional items	-	-	-	-	-
4	Net profit/ (loss) before extraordinary items and tax, as restated	617.98	416.67	470.33	341.96	220.79
	Extraordinary items	-	96.79	-	-	-
5	Net profit/ (loss) before tax, as restated	617.98	319.88	470.33	341.96	220.79
	Tax expense:					
	(i) Current tax	197.36	97.73	94.10	68.41	44.95
	(ii) Deferred tax (asset)/liability	12.77	33.06	57.97	116.36	143.28
	(ii) Mat Credit	-	-	-94.10	-68.41	-44.95
	Total tax expense	210.13	130.79	57.97	116.36	143.28
6	Profit/ (loss) for the year/ period, as restated	407.85	189.09	412.36	225.60	77.51

STATEMENT OF CASH FLOW AS RESTATED

ANNEXURE III

(Rs. in Lacs)

Particulars	As March 31				
	2017	2016	2015	2014	2013
Cash flow from operating activities:					
Net profit before tax as per statement of profit and loss	617.98	319.88	470.33	341.96	220.79
Adjusted for:					
Depreciation	400.08	386.36	260.79	191.49	177.29
Loss on sale of fixed assets	6.81	51.89	2.83	-	11.14
Sundry Balance Written Off	1.81	7.26	30.17	0.97	1.33
Bad Debts	-	-	-	-	-
Interest paid	420.14	518.83	450.72	446.22	563.43
Interest income	-31.48	-31.58	-50.03	-32.99	-41.77
Short Term Investment Income	-	-	-	-	-
Credit Balance Written Back	-4.69	-40.96	-81.31	-4.94	-2.81
Profit on Sale of Fixed Assets	-	-	-	-14.57	-
Dividend	-	-	-	-0.03	-0.05
Operating cash flow before working capital changes	1,410.65	1,211.68	1,083.50	928.11	929.35
Adjusted for:					
(Increase)/Decrease in Inventories	-966.69	654.23	-869.13	182.87	-636.73
(Increase)/Decrease in Trade Receivables	134.28	436.34	-1,218.39	-303.29	38.47
(Increase)/Decrease in Short Term Loans & Advances	-52.67	83.65	-30.09	8.90	-44.00
(Increase)/Decrease in Long Term Loans & Advances	74.74	138.74	-63.74	-89.50	-56.85
(Increase)/Decrease in other current assets	285.64	-314.04	-49.34	-182.35	-179.21
Increase/(Decrease) in Other non current Assets	-	-	-	-	-
Increase/(Decrease) in Current Liabilities	-474.46	-1,099.23	1,894.09	243.91	13.66
Increase/(Decrease) in Short Term Provisions	83.86	-115.78	22.31	86.97	92.31
Increase/(Decrease) in other non current liabilities	153.32	-81.91	-43.30	425.07	1,161.59
Debit/Credit Bal no longer required w/off or W/back	2.88	33.70	51.14	3.97	1.48
Increase/(Decrease) in Long Term Provisions	16.24	7.61	34.97	-8.35	8.28
Cash generated from operations	667.79	954.99	812.02	1,296.31	1,328.35
Income taxes paid	-197.36	-97.73	-	-	-

Particulars	As March 31				
	2017	2016	2015	2014	2013
Cash Flow Before Extraordinary Item	-	-	-	-	-
Unsecured loan written off	-	-	-	-	-
Net cash flow from operating activities(A)	470.43	857.26	812.02	1,296.31	1,328.35
<u>Cash flow from investing activities:</u>					
Purchase of Fixed Assets	-211.21	-676.23	-148.84	-240.51	-327.77
proceeds from sale of fixed assets	15.75	213.56	6.65	51.46	30.66
Investment made during the year	-	-	-	-	-
Increase/(Decrease) in Capital WIP	-225.60	47.04	-506.06	-317.01	-527.94
Interest Income	31.48	31.58	50.03	32.99	41.77
Dividend	-	-	-	0.03	0.05
Short Term Investment Income	-	-	-	-	-
Net cash used in investing activities (B)	-389.58	-384.05	-598.22	-473.04	-783.23
<u>Cash flow from financing activities:</u>					
Proceeds from Issue of Share Capital	157.50	228.00	375.00	150.00	-
Securities premium received	-	-	-	-	-
Increase/(Decrease) in Short Term Borrowings	-116.19	21.95	171.58	63.53	18.52
Increase/(Decrease) in Long Term Borrowings	338.07	-211.10	-281.95	-546.29	-182.82
Interest Paid	-420.14	-518.83	-450.72	-446.22	-563.43
Net cash flow from/(used in) financing activities (C)	-40.76	-479.98	-186.09	-778.98	-727.73
Net increase/(decrease) in cash & cash equivalents (A+B+C)	40.09	-6.77	27.71	44.29	-182.61
Cash & cash equivalents as at beginning of the year	387.10	393.87	366.16	321.87	504.48
Cash & cash equivalents as at end of the year	427.19	387.10	393.87	366.16	321.87

ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A) Brief of the Company:

Innovative Tyres & Tubes Ltd was incorporated on 28-11-1995 with a view to set up Project for manufacturing of Butyl Rubber Tubes for 4 wheelers like Car, LCV, Truck, Bus etc for Ceat Ltd and made a dent in the supply market of butyl inner tubes during first few years of its operations with high standard of quality product which has helped to consolidate more co-operation and strong tie-up with Ceat Ltd.

Innovative Tyres & Tubes Ltd., is a leading manufacturer of automotive and industrial tyres and tubes based in Gujarat, India.

Innovative Tyres offers a wide range of products in the Truck / Bus, Agricultural & OTR and Motorcycle / 3-wheeler segments. Our full range of products along with its tubes/flaps manufacturing facility allows them to offer un-paralleled flexibility of products and delivery.

Quality at Innovative is not an act, but a habit. The manufacturing facility maintains the highest standards of quality and strict in-process controls so that one is assured of a superior quality product. The tyre testing centre includes compound testing, testing of chemical and physical properties and product performance testing like plunger tests and pulley-wheel testing.

Their manufacturing plants are located at Halol, Gujarat in India in the industrial friendly state of Gujarat. The location on the upcoming Delhi-Mumbai Industrial Corridor ensures that it is in the middle of strong industrial belt with good base infrastructure and access to all key market areas.

Over a period of time, Innovative has established in-process controls that control quality and ensure that end-products are defect free. They are routinely subjected to audit by third-party certification authorities and key customers.

At Innovative, they believe in a business ethics and values and LIVE BY IT. Innovative stands for the values that believe in – that only socially responsible and ethical businesses would prosper in the long run. Most of all, it is a pride for themselves in putting PEOPLE FIRST – their employees, business partners and the stakeholders at large.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the years ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Financial Statements of the Company for the years ended March 31 2017, March 31 2016, March 31 2015, March 31 2014 and March 31 2013.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis 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 March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 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 Section 133 of the Companies Act, 2013(“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

3. Revenue Recognition:

(i) Sales

Sales are recognized on the basis of dispatch to customer and are net of Sales Tax, VAT, Trade discount, rebates and returns but inclusive of excise duty.

(ii) Service Charges

Service Charges are recognized on completion of job work and are shown net of claims.

(iii) Other Income

Other income is recognized on accrual basis except when realization of such income is uncertain.

4. Fixed Assets(Property, Plant & Equipments)

Fixed assets (Property, Plant & Equipments) other than revalued assets are stated at historical cost net of CENVAT less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use. Direct cost are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work - in- progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the balance sheet date.

5. Depreciation

- (i) Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.
- (ii) In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on considering useful life provided in the Schedule - II of the Act. The Company has followed the method of depreciation i.e. Straight Line Method, consistently over the period of time.
- (iii) Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the financial years ended 31 March, 2015, 2016, 2017 and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on 31 March, 2014 and 2013.
- (iv) In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Reserves & Surplus for the year ended March 31, 2015 in accordance with requirements of Para 7 of Schedule II of the Companies Act, 2013.

6. Inventories:

The inventories are valued at lower of cost or net realizable value. Cost is determined based on FIFO method as permitted by the AS 2 – “Valuation of Inventory”.

The basis of determining cost for various categories of inventories is as follows -

1. Raw materials	First-In-First-Out basis.
2. Work in process	At Cost of Production (Cost of Materials and overhead up to the Completed Stage of Production)
3. Consumables, Stores and spares	First-In-First-Out basis.
4. Finished Goods	Finished Goods are valued at lower of cost or net realisable value. Finished goods are valued based on weighted average cost of production, including appropriate proportion of cost of conversion. Excise duty is included in the value of finished goods inventory.
5. Scrap	Scrap is valued at net realisable value. Excise duty is included in the value of finished goods inventory.

7. Investments

Long term Investments are shown at cost. However, when there is decline, other than temporary in the value of a long term investment, the carrying amount is reduced to recognize the decline.

8. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

9. Employee Benefits

Short Term Employee Benefits:

- (i) All employee Benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, wages, and short term compensated absences etc. is recognised in the period in which the employee renders the related service.

Post Employment Benefits:

- (i) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses comprised experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the profit and loss account.
- (ii) Termination Benefits are recognized as an expense as and when incurred.

10. Taxes on Income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

11. Provisions and Contingent Liabilities

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. Prior Period Adjustments

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustments Account".

13. Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

14. Cash Flow:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

15. Earning Per Share

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of equity shares and convertible preference shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

16. Foreign Currency transactions

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

1. DETAILS OF SHARE CAPITAL AS RESTATED

Annexure – A

(Rs. in Lacs)

Particulars	As at March 31,				
	2017	2016	2015	2014	2013
Share capital					
Authorised:					
Equity shares of Rs. 10/- each	1,050.00	1,050.00	1,410.00	950.00	800.00
Cumulative Redeemable Preference Shares of Rs.10/- each	400.00	400.00	-	-	-
Convertible Preference Shares of Rs.10/- each	450.00	250.00	-	-	-
Share Capital	1,900.00	1,700.00	1,410.00	950.00	800.00
Issued, subscribed & fully paid up:					
Equity shares of Rs. 10/- each	959.31	959.31	934.31	934.31	784.31
Cumulative Redeemable Preference Shares of Rs.10/- each	400.00	350.00	-	-	-
Convertible Preference Shares of Rs.10/- each	335.50	-	-	-	-
Share Capital (in Rs)	1,694.81	1,309.31	934.31	934.31	784.31
TOTAL	1,694.81	1,309.31	934.31	934.31	784.31

Terms/ Right attached to Equity & Preference Shares:

Pursuant to the resolution passed by the shareholders in the EGM held on 25th May 2017, the terms of issue of all the Cumulative Redeemable Preference Shares has been changed to convertible preference shares and accordingly all the Convertible Preference Shares were modified by converting all the preference shares into equity shares at 1:3.5.

2. Reconciliation of number of shares outstanding at the beginning and at the end of the period:

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Equity shares outstanding at the beginning of the year	9,593,137	9,343,137	9,343,137	7,843,137	7,843,137
Add: Shares issued during the year	-	250,000	-	1,500,000	-
Equity shares outstanding at the end of the year	9,593,137	9,593,137	9,343,137	9,343,137	7,843,137

3. Details of Shareholders holding more than 5% of the aggregate shares in the Company (In terms of No. of Shares Holding)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Maxim Gold Development Limited	1,637,731	3,843,137	3,843,137	3,843,137	3,843,137
Goldmine Stocks Pvt Ltd.	956,790	956,790	956,790	-	-
Sharmistha C Shah	833,887	996,410	996,410	-	-
Pradeep R Kothari	28,67,134	1,531,020	756,620	-	-
Kirit T Vassa	16,18,323	-	-	-	-
Mani Market Creators Limited	-	-	-	1,003,790	1,003,790
Chandravadan K Shah	-	-	-	700,010	700,010

4. Details of Shareholders holding more than 5% of the aggregate shares in the Company (In terms of % Holding)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Maxim Gold Development Limited	17.07	40.06	41.13	41.13	49.00
Goldmine Stocks Pvt Ltd.	9.97	9.97	10.24	-	-
Sharmistha C Shah	8.70	10.39	10.66	-	-
Pradeep R Kothari	29.89	15.96	8.10	-	-
Kirit T Vassa	16.87	-	-	-	-
Mani Market Creators Limited	-	-	-	10.74	12.80
Chandravadan K Shah	-	-	-	7.49	8.93

DETAILS OF RESERVES & SURPLUS AS RESTATED

Annexure– A

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
<u>Surplus in statement of Profit & Loss</u>					
Opening balance	1,557.49	1,368.40	956.04	730.44	652.93
Add: Profit for the year/ period	407.85	189.09	412.36	225.60	77.51
Less: Addition transfer from General Reserve	-	-	-	-	-
Add: Opening Prior year adjustments	-	-	-	-	-
Add: Opening stock of finished goods	-	-	-	-	-
Net Surplus in the statement of profit and loss account	1,965.34	1,557.49	1,368.40	956.04	730.44
Securities Premium	926.45	926.45	926.45	926.45	926.45
Add : Received during the year	-	-	-	-	-
Total Securities Premium	926.45	926.45	926.45	926.45	926.45
Revaluation Reserve	-	-	-	-	-
Addition during the year	728.49	-	-	-	-
Balance as at the year end	728.49	-	-	-	-
TOTAL(Excluding Revaluation Reserve)	2,891.79	2,483.94	2,294.85	1,882.49	1,656.89

DETAILS OF LONG TERM BORROWING AS RESTATED

ANNEXURE- B

(Rs. in Lacs)

Particular	As at March 31				
	2017	2016	2015	2014	2013
<u>Secured</u>					
From Banks& Financial Institutions	354.07	16.00	214.02	483.84	892.00
TOTAL A	354.07	16.00	214.02	483.84	892.00
<u>Unsecured</u>					
Loan from Directors	-	-	13.08	15.50	28.54
Loan from Shareholders	-	-	-	-	-
Loan from body corporate & Others	-	-	-	9.71	134.80
TOTAL B	-	-	13.08	25.21	163.34
TOTAL A+B	354.07	16.00	227.10	509.05	1,055.34

DETAILS OF SHORT TERM BORROWINGS AS RESTATED
ANNEXURE B
(Rs. in Lacs)

Particular	As at March 31				
	2017	2016	2015	2014	2013
<u>Secured</u>					
From Banks	1,573.97	1,690.16	1,668.21	1,496.63	1,433.10
TOTAL	1,573.97	1,690.16	1,668.21	1,496.63	1,433.10

A) STATEMENT OF PRINCIPAL TERMS OF LONG TERM SECURED LOANS AND ASSETS CHARGED AS SECURITY

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Guarantors	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
State Bank of India	Directors	Term Loan to acquire Plant & Machinery	Sanctioned Rs. 500.00 Lakhs & Disbursed Rs. 429.60 lakhs till March 31, 2017.	13.40%	Mortgage of Land,Building, Hypothecation of Plant & Machinery, Extension of Mortgage Charges over Residential flat,Pledge of Shares	46 Monthly Installment of Rs. 8.34 lakhs commencing from 30 th June 2017 upto 31 st March 2021. 7 Monthly instalments of Rs. 14.55 lakhs commencing from 30 th April 2021 to 31 st Oct 2021. 1 instalment of Rs. 14.51 lakhs on 30 th November 2021.	6 Months	429.60
Total								429.60

Primary Security:

Hypothecation of entire Plant & Machinery of the Company.

Hypothecation of Plant & Machinery acquired/to be acquired out of new term loan.

Mortgage Charge over factory land and Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P & 2422/P, GIDC Halol, Distt. Panchmahal

Colleteral Security

1. Extension of mortgage charges over residential flat no.6 admeasuring 948 sq ft , Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara.

2. Extension of mortgage charge over factory land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P, GIDC Halol, Dist-Panchmahal
3. Pledge of Shares 20,32,850 shares of Company.

Guarantee:

Personal guarantee by the three executive Directors of the company namely Shri. Mukesh G Desai, Shri Nitin Mankad and Shri Pradeep R Kothari.

DETAILS OF LONG TERM SECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM BODY CORPORATE & OTHERS

(Rs. in Lacs)

Name of lender	Purpose	Rate of interest(p.a)	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
Corporation Bank	Vehicle Loan - Indica Car (Regn No.GJ 6 FC 6250)	11.25%	60 monthly instalments with EMI of Rs. 10,278/- per month (last EMI due on 03-09-2017)	NIL	0.57
Kotak Mahindra Prime Ltd	Vehicle Loan -Innova Car (Regn No.GJ 6 CB 2244)	10.50%	60 monthly instalments with EMI of Rs. 27,950/- per month (last EMI due on 10-09-2018)	NIL	4.62
Kotak Mahindra Prime Ltd	Vehicle Loan - Indica Car (Regn No.GJ 6 HL 7416)	11.00%	60 monthly instalments with EMI of Rs. 11,395/- per month (last EMI due on 10-08-2019)	NIL	2.88
Kotak Mahindra Prime Ltd	Vehicle Loan - Indica Car (Regn No.GJ 6 HL 7567)	11.00%	60 monthly instalments with EMI of Rs. 11,395/- per month (last EMI due on 10-08-2019)	NIL	2.88
Kotak Mahindra Prime Ltd	Vehicle Loan - Verna Car (Regn No.GJ 6 HD 7597)	10.75%	60 monthly instalments with EMI of Rs. 23,674/- per month (last EMI due on 10-03-2019)	NIL	5.07
Total					16.04

Secured by hypothecation of Vehicles.

B) DETAILS OF LONG TERM UNSECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM DIRECTORS

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
		NIL			

C) DETAILS OF LONG TERM UNSECURED LOANS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM SHAREHOLDERS

ANNEXURE B(A)

(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
		NIL			

D) DETAILS OF LONG TERM UNSECURED LOANS/DEPOSITS OUTSTANDING AS AT THE END OF THE RESPECTIVE PERIOD FROM BODY CORPORATE & OTHERS

ANNEXURE B (A)

(Rs. in Lacs)

Name of lender	Purpose	Rate of interest	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
					NIL

F) STATEMENT OF PRINCIPAL TERMS OF SHORT TERM SECURED LOANS AND ASSETS CHARGED AS SECURITY
ANNEXURE B(A)
(Rs. in Lacs)

Name of lender	Guarantor	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment schedule	Moratorium	Outstanding Amt as on March 31, 2017
State Bank of India	Directors	Cash Credit	1500.00	13.40%	Hypothecation charges over Raw Material, Stock in Process, Finished Goods, Book Debts/Receivables & Other Current Assets, Extension of Residential Flat	On Demand	N A	1493.97
State Bank of India	Directors	Sublimit of EPCPCFCFBD/EBR within CC Limit	(1225.00)	13.40%	-do-	On Demand	N A	0.00
State Bank of India	Directors	Stand by Line of Credit	300.00	14.40%	-do-	Maximum upto 3 months	N A	80.00
State Bank of India	Directors	#Letter of Credit	1400.00	Prevailing bank charges	-do-	Maximum Upto 120 days	N A	1327.05
State Bank of India	Directors	Bank Guarantee	100.00	Prevailing bank charges	-do-	On Demand	N A	77.11
State Bank of India	Directors	##Credit exposure Limit	196.00	Prevailing bank charges	-do-	On Demand	N A	0.00
Total			3496.00					2978.13

Interchangeability from CC to LC to the extent of Rs. 5 Crores while LC to CC upto 2.50 Crore is permitted.

Credit Exposure limit can be utilised to book forward contracts upto Rs 98 Crores.

Primary Security

Hypothecation charge over Raw material, stock in process, finished goods, book debts/receivables and other current assets

Collateral Security

1. Extension of mortgage charges over residential flat no.6 admeasuring 948 sq ft , Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara.
2. Extension of mortgage charge over factory land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P, GIDC Halol, Dist-Panchmahal
3. Mortgage Charge over factory land & Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P & 2422/P, GIDC Halol, Panchmahal
4. Pledge of Shares 20,32,850 shares of Company.

Guarantee:

Personal guarantee by the three executive Directors of the company namely shri. Mukesh G Desai, Shri Nitin Mankad and Shri Pradeep R Kothari.

DETAILS OF DEFERRED TAX (ASSETS)/ LIABILITIES (NET) AS RESTATED

ANNEXURE C

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Timing Difference Due to Depreciation	56.21	90.87	225.87	370.55	443.62
Deferred Tax Liability(A)	18.58	30.04	73.28	120.22	150.79
Provision of Gratuity/Leave Encashment outstanding as on the end of Period	-16.07	-8.88	-35.18	-	-9.60
Provision for Bonus	-1.50	18.00	-12.00	-18.00	-12.50
Timing Difference Due to Gratuity and business loss	-	-	-	6.11	-
Deferred Tax Assets (B)	-5.81	3.02	-15.31	-3.86	-7.51
Increase/(Decrease in Deferred Tax Liability during the year	12.77	33.06	57.97	116.36	143.28
Opening balance of Deferred Tax Liability	735.87	702.81	644.84	528.48	385.20
Cumulative Balance of Deferred Tax Liability /(Assets) (Net) (A-B)	748.64	735.87	702.81	644.84	528.48

Note: The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

DETAILS OF LONG TERM LIABILITIES AS RESTATED

ANNEXURE- D

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Trade Payables	2,107.06	1,953.31	2,062.71	2,106.71	1,813.59
Security Deposit	125.45	80.16	19.09	19.08	17.50
Other Liabilities	284.91	338.50	352.14	352.14	201.27
Other Creditors for Capital Goods	11.54	3.67	23.61	22.92	43.42
TOTAL	2,528.96	2,375.64	2,457.55	2,500.85	2,075.78

DETAILS OF LONG TERM PROVISIONS AS RESTATED

ANNEXURE- E

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Provision for employee benefits					
Gratuity Payable	68.43	55.24	49.30	19.33	25.46
Leave Liability	16.93	13.88	12.21	7.21	9.43
TOTAL	85.36	69.12	61.51	26.54	34.89

DETAILS OF TRADE PAYABLES AS RESTATED

ANNEXURE- F

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Trade Payables -MSME					
- For Goods	-	-	-	-	-
- For Expenses	5.81	13.39	13.73	21.97	14.14
- For Capital	-	2.69	-	-	-

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Trade Payables -Others					
- For Goods	2,049.86	2,481.35	3,523.69	1,796.44	1,672.01
- For Expenses	376.01	334.73	101.25	126.07	38.39
- For Capital	79.91	124.43	23.61	22.92	25.50
TOTAL	2,511.59	2,956.59	3,662.28	1,967.40	1,750.04

DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED
ANNEXURE- G
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Advance from customers	241.15	205.15	517.50	317.43	280.18
Current maturities of long term debt	91.57	240.03	344.11	400.24	406.44
Other current liabilities	-	-	-	0.30	1.72
Interest accrued and due on borrowings	0.65	2.53	0.42	-	-
Statutory dues	23.58	16.58	0.31	3.46	5.91
Current Account Balances	0.03	-	55.27	14.21	14.83
Other payables	155.92	78.07	18.29	1.05	1.06
TOTAL	512.90	542.36	935.90	736.69	710.14

DETAILS OF SHORT TERM PROVISIONS AS RESTATED
ANNEXURE- G
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Provision for Income Tax(net of TDS/advance tax)	93.13	32.35	121.36	117.77	48.62
Provision for excise duty on closing stock	108.13	68.38	108.41	101.90	91.83
Provision for Gratuity	6.97	7.44	6.76	7.19	5.16
Provision for Leave Liability	2.39	2.09	1.51	0.87	0.65
Provision for Employee Benefits	25.50	42.00	30.00	18.00	12.50
TOTAL	236.12	152.26	268.04	245.73	158.76

DETAILS OF FIXED ASSETS AS RESTATED
ANNEXUR- H
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Tangible Assets					
Factory Building	308.67	324.67	340.67	377.26	394.12
Plant and Machinery	5,213.08	5,369.49	5,353.31	5,423.14	5,391.16
Factory land	780.66	52.17	52.17	52.17	52.17
Vehicle	53.68	58.60	68.74	58.14	53.08
Electrification	133.12	141.84	139.56	143.82	139.13
Furniture and Fittings	0.64	0.13	0.97	8.41	7.73
Computers	5.74	4.85	1.01	-	1.37
Laboratory Equipments	11.45	9.88	1.38	1.55	1.70
Office Equipments	10.14	16.83	17.57	19.45	18.66
Salvage	-	21.50	-	-	-
Less: Revaluation reserve	(728.49)				

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Total	5,788.69	5,999.96	5,975.38	6,083.94	6,059.12
Intangible Assets					
Technical Knowhow	-	-	-	12.60	25.20
Trade Mark	0.41	0.57	0.73	1.00	1.09
Total	0.41	0.57	0.73	13.60	26.29
Capital Work In Progress	1,529.57	1,303.97	1,351.01	844.95	527.94
TOTAL	7,318.67	7,304.50	7,327.12	6,942.49	6,613.35

DETAILS OF NON-CURRENT INVESTMENTS
ANNEXURE– I
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Investment in equity shares of Indian Overseas Bank (Quoted)	0.26	0.26	0.26	0.26	0.26
Investment in Halol Merchantile Co-Operative Bank Limited (Unquoted)	0.07	0.07	0.07	0.07	0.07
TOTAL	0.33	0.33	0.33	0.33	0.33
Aggregate Amount of Unquoted Investments	0.07	0.07	0.07	0.07	0.07
Aggregate Cost of Quoted Investments	0.26	0.26	0.26	0.26	0.26
Aggregate Cost of Unquoted Investments	0.07	0.07	0.07	0.07	0.07
Aggregate Market Value of Quoted Investments	0.29	0.33	0.47	0.56	0.72
TOTAL	0.36	0.40	0.54	0.63	0.79

DETAILS OF LONG TERM LOANS AND ADVANCES AS RESTATED
ANNEXURE– J
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Unsecured, Considered Good unless otherwise stated					
Other Advance for Purchase	61.06	125.77	3.55	10.44	3.26
Balance With Government Authorities	20.11	20.11	278.67	198.14	123.84
Capital Advance	0.46	10.49	12.89	22.79	14.77
TOTAL	81.63	156.37	295.11	231.37	141.87

DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED
ANNEXURE – K
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Fixed deposits (Lien against L/c & bank guarantee)	-	-	-	-	-
Trade Receivable (Outstanding for more than one year)	-	-	-	-	-
Misc Exp	-	-	-	-	-
TOTAL	-	-	-	-	-

DETAILS OF INVENTORIES AS RESTATED
ANNEXURE – L
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Raw Materials	269.49	388.79	463.13	119.40	182.56
Stores & Spares	179.84	117.34	82.99	128.44	199.48
Stock - In – Process	1,641.68	975.94	1,229.89	708.38	848.60
Finished Goods (Tyres)	761.37	439.66	751.95	559.41	681.62
Finished Goods (Tubes)	75.84	86.43	83.95	176.60	39.63
Finished Goods (Flaps)	27.79	20.91	29.54	82.73	19.39
Scrap	-	-	1.82	5.69	2.31
Excise Duty on Finished Goods & Scrap	108.13	68.38	108.41	101.90	91.83
TOTAL	3,064.14	2,097.45	2,751.68	1,882.55	2,065.42

DETAILS OF TRADE RECEIVABLES AS RESTATED
ANNEXURE- M
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
From Others					
Outstanding for a period exceeding six months	162.82	128.88	132.55	34.56	21.12
Outstanding for a period not exceeding six months	1,109.38	1,143.27	1,865.28	752.36	462.51
From Related Parties					
Outstanding for a period exceeding six months	-	-	-	-	-
Outstanding for a period not exceeding six months	162.49	296.82	7.48	-	-
TOTAL	1,434.69	1,568.97	2,005.31	786.92	483.63

DETAILS OF CASH AND BANK BALANCES AS RESTATED
ANNEXURE- N
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Cash in hand	5.87	25.52	0.30	13.42	1.66
Margin Deposit with Bank	310.66	310.66	386.59	336.20	290.69
Balances with banks	110.66	50.92	6.98	16.54	29.52
Total	427.19	387.10	393.87	366.16	321.87

DETAILS OF SHORT TERM LOANS AND ADVANCES AS RESTATED
ANNEXUR – O
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Unsecured, Considered Good unless otherwise stated	3.80	1.90	3.50	6.06	6.32
Advance to suppliers for Goods	24.59	42.02	128.94	88.31	100.16
Advance for Capital Goods	77.59	9.39	4.52	12.50	9.29
Advance income tax	-	-	-	-	-
TOTAL	105.98	53.31	136.96	106.87	115.77

DETAILS OF OTHER CURRENT ASSETS AS RESTATED
ANNEXUR - P
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Excise Duty & Service tax receivables	45.25	36.63	82.30	59.12	136.53
Excise Duty Drawback Receivables	66.07	-	-	53.20	-
MAT Credit receivables	110.48	174.89	205.30	114.80	46.90
MEIS/ Incentives receivables	194.31	205.40	233.75	164.76	113.43
VAT Receivable	84.30	92.35	13.46	103.18	37.74
Prepaid Expenses	16.15	3.36	1.12	1.35	5.61
Accrued interest on FD	84.75	61.56	36.76	54.23	27.60
Security Deposit	78.57	77.80	70.51	48.43	47.54
Other Current Assets	25.70	339.23	33.98	28.77	30.14
TOTAL	705.58	991.22	677.18	627.84	445.49

STATEMENT OF TURNOVER AS RESTATED
ANNEXURE -Q
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Turnover of Goods	9,808.08	9,086.13	9,241.81	9,211.05	7,300.09
Turnover of Services	3,255.12	3,112.03	3,251.15	3,088.30	2,746.53
Other Operating Income	154.40	157.05	411.72	302.48	200.35
Total	13,217.60	12,355.21	12,904.68	12,601.83	10,246.97

DETAILS OF OTHER INCOME AS RESTATED
ANNEXURE -R
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
A. Related & Recurring Income					
Interest Income on Fixed Deposits(Recurrig & Releted to business)	26.18	26.02	50.03	32.99	41.77
Interest Income on MGVCL(Recurrig & Releted to business)	5.30	5.56	-	-	-
Other income(non-recurrig & not-Releted to business)	-	0.14	2.37	3.44	-
Miscellaneous Income (Prior Period Adjustments)	-	-	-	-	-
Subtotal	31.48	31.72	52.40	36.43	41.77
B. Related & Non Recurring Income					
Sundry Balance Written Off (non-recurrig & non-Releted to business)	4.69	40.96	81.31	4.94	2.81
Profit on Sale of Fixed Assets (non-recurrig & non-Releted to business)	-	-	-	14.57	7.36
Insurance Claim received(non-recurrig & non-Releted to business)	-	162.38	-	-	-
Interest on IT Refund(non-recurrig & non-Releted to business)	-	-	0.11	-	-
Interest on VAT Refund(non-recurrig & non-Releted to business)	-	-	13.96	-	2.67

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Dividend	-	-	-	0.03	0.05
Subtotal	4.69	203.34	95.38	19.54	12.89
Total	36.17	235.06	147.78	55.97	54.66

SUMMARY OF ACCOUNTING RATIOS

Annexure – S

(Rs. in Lacs)

Ratio	As at March 31				
	2017	2016	2015	2014	2013
Net worth before conversion of preference shares(A)	3,851.10	3,443.25	3,229.16	2,816.80	2,441.20
Net worth after taking impact of conversion of preference shares (B)	4,586.60	3,793.25	3,229.16	2,816.80	2,441.20
Restated Net Profit After Tax (C)	407.85	189.09	412.36	225.60	77.51
Number of Equity Share outstanding as on the End of period /Year prior to conversion of preference shares (D)	9,593,137	9,593,137	9,343,137	9,343,137	7,843,137
Number of Equity Share outstanding as on the End of period /Year after taking impact of conversion of all preference shares (E)	11,694,561	10,593,137	9,343,137	9,343,137	7,843,137
Weighted average number of equity shares at the end of the period /year before taking impact of conversion of convertible preference shares (F)	9,593,137	9,569,230	9,343,137	8,340,397	7,843,137
Weighted average number of equity shares at the end of the period /year after taking impact of conversion of all preference shares (G)	11,237,818	10,473,601	9,343,137	8,340,397	7,843,137
Current Assets (H)	5,737.58	5,098.05	5,965.00	3,770.34	3,432.18
Current Liabilities (I)	4,834.58	5,341.37	6,534.43	4,446.45	4,052.04
Face value per share	Rs. 10	Rs.10	Rs.10	Rs.10	Rs.10
Restated Basic Earning Per Share (C/F)	4.25	1.98	4.41	2.70	0.99
Restated Diluted Earning Per Share (Rs.) (C/G)	3.63	1.81	4.41	2.70	0.99
Return on net worth before conversion of preference shares(%)(C/A)	10.59%	5.49%	12.77%	8.01%	3.18%
Return on net worth after taking impact of conversion of preference shares(%)(C/B)	8.89%	4.98%	12.77%	8.01%	3.18%
Net asset value per share (Rs)(A/D)	40.14	35.89	34.56	30.15	31.13
Net asset value per share after taking impact of conversion of all preference shares (Rs) (B/E)	39.22	35.81	34.56	30.15	31.13
Current Ratio (Rs.) (H/I)	1.19	0.95	0.91	0.85	0.85

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS

Weighted average number of equity shares outstanding at the end
of the period or year before taking impact of conversion of convertible
preference shares

(b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS

Weighted average number of equity shares outstanding at the
end of the period or year after taking impact of conversion of all
preference shares for diluted EPS

(c) Return on net worth before conversion of pref shares (%) -:

Net profit after tax (as restated)

Net worth at the end of the period or year before conversion of preference shares

(d) Return on net worth after taking impact of conversion of preference share (%) -:

Net profit after tax (as restated)

Net worth after taking impact of conversion of preference share at the end of the period or year

(e) Net assets value per share -:

Net Worth before conversion of preference shares at the end of the period or year

Total number of equity shares outstanding at the end of the period or year prior to conversion
of preference shares

(f) Net assets value per share (after taking impact of conversion of all preference shares) - :

Net worth after taking impact of conversion of preference shares at the end of the period or year

Total number of equity shares outstanding at the end of the period or year (after taking impact of
conversion of all preference shares)

2) Weighted average number of equity shares at the end of the period /year before taking impact of conversion of convertible preference shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

3) Weighted average number of equity shares at the end of the period /year after taking impact of conversion of all preference shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. It also includes all convertible preference shares and redeemable preference shares at the beginning of the period/year adjusted by the number of preference shares issued during the period/year multiplied by the time weighing factor since all the convertible shares and redeemable preference shares after change of terms have been converted into equity shares. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

4) Net worth for ratios mentioned in note 1(c) and 1(e) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

5) Net worth for ratios mentioned in note 1(d) and 1(f) is = Equity share capital +Preference Share Capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

6) The figures disclosed above are based on the standalone restated summary statements.

7) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III."

STATEMENT OF RELATED PARTY TRANSACTION

Annexure– T

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Directors & KMPs	Mukesh G Desai (MD)
	Nitin J Mankad (Director)
	Bipin C Mankad(Director)
	Pradeep R Kothari(Director)
	Sanjay Mankad(Director)
	Narendra R Shah(Director)
	Keyoor Bakshi (Independent Director)
	Kalyanaraman Ganesan (Independent Director)
	Arvind Tambi (CFO)
	Sejal Desai (CS)
	Anand Padaman(Director)
Relatives of Directors	Rachit Mankad(Son of Director)
	Bindu N Shah(Wife of Director)
	Priti H Shah(Daughter of Director)
	Shital Parikh(Daughter of Director)
	Yatish Shah(Uncle of Director)
	Sharmishtha Shah(Wife of Director)
	Drashti S Mankad(Daughter of Director)
	Nihar M Desai(Son of Director)
	Vishal Parikh(Son-in-law of Director)
Companies/firm/entities in which Director is significantly influenced	Raman Enterprise (Director is proprietor)
	Gaia Batteries P Ltd(Son of Director is Director)
	Kosync (Son of Director is proprietor)
	Narendra R Shah-HUF(Director is Karta)
	Sanjay Associates(Director is Partner)
	Water Associates(Director is Partner)
	Future Tyres Private Limited (Common Directors)

(Rs. in Lacs)

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
1 .	Narendra R Shah (Director)					
	Opening Balance	-----	-----	15.48	25.81	25.81
	Loan Taken	-----	-----	1.55	2.40	2.63
	Loan repaid(Including Interest)	-----	-----	3.95	12.73	2.63
	Closing Balance	-----	-----	13.08	15.48	25.81
2	Narendra R Shah HUF(Director is Karta)					

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
	Opening Balance	-----	-----	-----	7.00	7.00
	Loan Taken	-----	-----	-----	0.52	0.65
	Loan repaid	-----	-----	-----	6.37	0.65
	Closing Balance	-----	-----	-----	1.15	7.00
3	Bindu N Shah (Wife of Director)					
	Opening Balance	-----	-----	-----	4.50	1.50
	Loan Taken	-----	-----	-----	0.43	3.36
	Loan repaid(Including Interest)	-----	-----	-----	3.18	0.36
	Closing Balance	-----	-----	-----	1.75	4.50
4	Raman Enterprises (Director is proprietor)					
	Opening Balance (Cr)	486.80	2324.58	1423.45	-----	-----
	Purchase and Interest	1634.39	1630.94	4005.92	-----	-----
	Payment (Including Interest)	2083.10	3468.72	3104.79	-----	-----
	Closing Balance (Cr)	38.09	486.80	2324.58	-----	-----
5.	Kosync (Son of Director is proprietor)					
	Opening Balance (Cr)	-----	-----	-----	-----	-----
	Purchase and Interest	281.24	25.95	-----	-----	-----
	Payment (Including Interest)	88.14	25.95	-----	-----	-----
	Closing Balance (Cr)	193.10	-----	-----	-----	-----
6	Future Tyres Pvt. Ltd.(Common Directors)					
	Opening Balance (Dr)	(296.82)	(7.48)	-----	-----	-----
	Purchase /Jobwork/Reciept	2669.85	1825.02	637.61	-----	-----
	Sales/Payment	2535.52	2114.37	645.09	-----	-----
	Closing Balance (Dr)	(162.49)	(296.82)	(7.48)	-----	-----
7	Gaia Batteries Pvt. Ltd.(Son of director is a Director)					
	Opening Balance (Dr)	-----	-----	-----	-----	-----
	Purchase /Jobwork/Reciept	1.29	-----	-----	-----	-----
	Sales/Payment	0.49	-----	-----	-----	-----
	Closing Balance (Cr)	0.80	-----	-----	-----	-----
8	Mukesh G Desai (Chairman & MD)					
	Director Remuneration	27.00	27.00	27.00	27.00	14.63
	Reimbursement Expenses	0.96	1.10	0.68	0.59	1.14
9	Nitin J Mankad (whole time Director)					
	Director Remuneration	10.50	10.50	10.5	10.50	10.50
	Reimbursement Expenses	0.20	0.26	0.56	1.41	0.64
10	Pradeep R Kothari (whole time Director)					
	Director Remuneration	10.50	10.50	7.88	-----	-----
	Reimbursement Expenses	0.00		0.00		-----
11	Bipin C Mankad (Director)					
	Director Rem/Salary	-----	8.75	2.22	10.50	10.50
	Reimbursement Expenses	0.00	0.28	0.32	0.43	0.43
12	Sanjay J Mankad (Director)					
	Director Rem/Salary	-----	8.75	2.22	10.50	10.50
	Reimbursement Expenses	-----	0.22	0.24	+ -0.34	0.23
13	Sanjay Associates (Director is					

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
	Partner)					
	Opening Balance	-----		0.05	7.50	0.00
	Loan Taken (Including Interest)	-----		0.004	0.50	7.91
	Loan repaid(Including Interest)	-----		0.05	7.96	0.41
	Closing Balance	-----		0.00	0.05	7.50
14	Water Association (Director is Partner)	-----				
	Opening Balance	-----		0.21	32.83	0.00
	Loan Taken (Including Interest)	-----		0.01	2.23	34.55
	Loan repaid(Including Interest)	-----		0.22	34.85	1.72
	Closing Balance	-----		0.00	0.21	32.83
15	Priti H Shah (Daughter of Director)					
	Opening Balance	-----		0.03	4.00	2.00
	Loan Taken (Including Interest)	-----		0.003	0.27	2.28
	Loan repaid (Including Interest)	-----		0.033	4.24	0.28
	Closing Balance	-----		0.00	0.03	4.00
16.	Shital Parikh (Daughter of Director)					
	Opening Balance	-----		3.17	3.00	3.00
	Loan Taken (Including Interest)	-----		0.08	0.34	0.34
	Loan repaid(Including Interest)	-----		3.25	0.16	0.34
	Closing Balance	-----		0.00	3.17	3.00
17	Vishal Parikh (Son-in-law of Director)					
	Opening Balance	-----		2.11	2.00	7.00
	Loan Taken (Including Interest)	-----		0.05	0.22	0.46
	Loan repaid(Including Interest)	-----		2.16	0.11	5.46
	Closing Balance	-----		0.00	2.11	2.00
18	Sharmistha Shah (Wife of Director)					
	Opening Balance	-----		1.10	50.00	40.00
	Loan Taken (Including Interest)	-----		0.09	3.41	14.49
	Loan repaid(Including Interest)	-----		1.20	52.31	4.49
	Closing Balance	-----		0.00	1.10	50.00
19	Drashti S Mankad (Daughter of Director)					
	Opening Balance	-----		0.002	1.50	1.50
	Loan Taken (Including Interest)	-----		0.0001	0.10	0.13
	Loan repaid(Including Interest)	-----		0.0021	1.60	0.13
	Closing Balance	-----		0.00	0.002	1.50
20	Nihar M Desai (Son of Director)					
	Opening Balance	-----		0.02	2.47	2.47
	Loan Taken (Including Interest)	-----		0.001	0.16	0.22
	Loan repaid(Including Interest)	-----		0.021	2.62	0.22
	Closing Balance	-----		0.00	0.02	2.47
21	Yatish Shah (Uncle of Director)					
	Opening Balance	-----		0.12	20.00	10.00
	Loan Taken (Including Interest)	-----		0.01	1.35	11.77
	Loan repaid(Including Interest)	-----		0.13	21.23	1.77
	Closing Balance	-----		0.00	0.12	20.00
22	Rachit Mankad (Son of Director)					

Sr. No.	Nature of Transaction	As at March 31				
		2017	2016	2015	2014	2013
	Salary	-----	-----	-----	-----	4.50
	Reimbursement Expenses	-----	-----	-----	-----	0.44
	Closing Balance	-----	-----	-----	-----	0.00
23	Keyoor Bakshi (Independent Director)					
	Opening Balance	0.00	-----	-----	-----	-----
	Sitting Fee	1.00	-----	-----	-----	-----
	Director Rem/Salary	0.00	-----	-----	-----	-----
	Closing Balance	1.00	-----	-----	-----	-----
24	K Ganesan (Independent Director)					
	Opening Balance	0.00	-----	-----	-----	-----
	Sitting Fee	1.00	-----	-----	-----	-----
	Director Rem/Salary	0.00	-----	-----	-----	-----
	Closing Balance	1.00	-----	-----	-----	-----
25	Anand Padman (Director)					
	Opening Balance	0.00	-----	-----	-----	-----
	Sitting Fee	0.10	-----	-----	-----	-----
	Director Rem/Salary	0.00	-----	-----	-----	-----
	Closing Balance	0.10	-----	-----	-----	-----
26	Sejal Desai(Company Secretary)					
	Salary	1.85	-----	-----	-----	-----

Outstanding balance for Managerial Personnel:

Sr No.	Particulars	2017	2016	2015	2014	2013
1	Key Managerial Personnel	24.35	6.44	14.45	2.96	2.72
2	Independent Directors/Relatives of Key Managerial Personnel	1.90	----	1.87	----	---
	Total	26.25	6.44	16.32	2.96	2.72

CAPITALISATION STATEMENT AS AT MARCH 31, 2017
ANNEXURE– U
(Rs. in Lacs)

Particulars	As at March 31, 2017	Stub period as at May 31, 2017	Post Issue
Borrowings:			
Short-term Debt	1,573.97	1,573.97	[●]
Long-term Debt (A)	354.07	354.07	[●]
Total debts (B)	1,928.04	1,928.04	[●]
Shareholders' Funds			
Share Capital	1,694.81	1,169.45	[●]
Reserve and Surplus	2,891.79	3,417.15	[●]
Less: Miscellaneous Expenses not w/off	-	-	
Total Shareholders' Funds (C)	4,586.60	4,586.60	[●]
Long term debt / shareholders' funds (A/C)	0.08	0.08	[●]
Total debt / shareholders' funds (B/C)	0.42	0.42	[●]

1. *Consequent upon the resolution above, the Company has issued 21,01,424 equity shares of Rs. 10/- each against the 73,55,000 preference shares consisting of 40,00,000 Cumulative redeemable preference shares and 33,55,000 Convertible preference shares.*
2. *Reserve & Surplus and Total Debts as at stub period(31-05-2017) doesnot include revenue implications and borrowings during 31st March 2017 and 31st May 2017.*
3. *Pursuant to the resolutions passed in the EGM dated 25th May 2017 the composition of share capital stands as under:*

Authorised Share Capital Rs. 19,00,00,000/- divided into 1,90,00,000 equity shares of Rs. 10/- each.

Paid up Share Capital Rs. 11,69,45,610/- divided into 1,16,94,561 equity shares of Rs. 10/- each.

STATEMENT OF TAX SHELTERS
ANNEXURE – V
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Profit before tax, as restated (A)	617.98	319.88	470.33	341.96	220.79
Tax Rate (%) (B)	33.063	33.063	32.45	32.45	33.99
Adjustments :					
Permanent differences					
Increase in share capital exps	3.24	-	-	-	-
Donation	1.42	0.46	0.02	0.03	0.89
Interest on TDS	0.14	2.59	0.13	0.10	-
Expenses disallowed (not related to business)	-	-	-	-	-
Interest on income tax	-	5.67	-	-	-
Loss on sale of asset/scrap	6.85	-	2.82	-14.57	3.78
Loss on sale of machinery due to fire	-0.04	51.89	-	-	-
Penalty TDS	0.28	0.36	1.03	-	4.27
Penalty Others	1.33				3.90

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Prior Period income regrouped	-	-	-	-	-
Other allowance/disallowances		7.71	5.52	2.29	6.15
Prior Period Expense	-	-	0.30	1.42	-11.25
Dividend	-	-	-	-0.03	-0.05
Total permanent differences (D)	13.22	68.68	9.82	-10.76	3.79
Timing differences					
Difference between tax depreciation and book depreciation	-56.21	-90.87	-225.87	-370.55	-443.62
Expenses Disallowed Under Section 40a	-	-	-	-	-
Disallowances Under Section 43 B	22.53	-2.10	29.19	11.24	35.34
Expense allowed under section 35D	-	-	-	-	-
Gratuity Expenses Disallowed under Section 40A(7)	-	-	-	-	-
Amount Disallowed u/s 43 B in preceding Previous Year, Now Allowed as per Section 43B	-	-	-	-	-
Total timing differences (E)	-33.68	-92.97	-196.68	-359.31	-408.28
Deduction u/s 80G (50%)	0.60	-	-	-	-
NTI before carry forward losses	596.92	295.59	283.47	-28.11	-183.70
Brought Forward Losses	-	-	-74.27	-74.27	-74.27
Unabsorbed Depreciation Brought Forward	-	-	-211.81	-183.70	-
Losses Carry Forward to subsequent year	-	-	-	-74.27	-74.27
Unabsorbed Depreciation Carry Forward to subsequent year	-	-	-	-211.81	-183.70
Net taxable income after adjustment of losses	596.92	295.59	-2.61	-	-
Tax Expenses	197.36	97.73	-0.85	-	-
MAT Credit Utilized	64.41	30.41	-	-	-
Tax Liability, After Considering the effect of MAT Credit	132.95	67.32	-0.85	-	-
Book Profit as per MAT *(I)	619.82	319.88	470.33	341.93	224.64
MAT Rate (J)	20.39	20.39	20.01	20.01	20.01
Tax liability as per MAT $K=(I*J)$	126.38	65.22	94.10	68.41	44.95
Current Tax being Higher of H or K (L)	197.36	97.73	94.10	68.41	44.95
MAT Credit Entitlement (M)	64.41	30.41	-	-	-
Total Tax expenses (L)	132.95	67.32	94.10	68.41	44.95
Tax Deducted/collected at source (N)	-	-	-	-	-
Total Tax as per Return of Income (L-M-N) (Before Interest under Section 234A,B and C of Income Tax Act, 1961)	132.95	67.32	94.10	68.41	44.95
Tax paid as per “normal” or “MAT”	NORMAL	NORMAL	MAT	MAT	MAT

RECONCILIATION OF RESTATED PROFIT:
ANNEXURE – W
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Net profit after Tax As per audited statement of accounts	488.53	309.87	284.85	379.79	328.52
Adjustments for:					
Current tax(MAT impact)	-81.90	-110.75	90.50	67.90	46.90
Income tax disallowance/allowance-Misc Exps		7.71	5.52	2.29	6.15
Current tax impact differential		-7.71	-8.57	-2.29	-6.15
Deferred tax Liabilities/Assets Adjustments	6.64	-11.66	17.40	-225.38	-290.48
Prior period items	-0.14	-13.65	2.67	4.87	-11.25
Depreciation from General Reserve		4.55	20.86		
Short provision of income tax	-5.33	6.21			
Tax adjusted in current period	0.05	4.52	-0.87	-1.58	3.82
Net profit after tax as restated	407.85	189.09	412.36	225.60	77.51

RESTATEMENT SUMMARY OF CONTINGENT LIABILITIES: ANNEXURE – X
(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Contingent liability in respect of					
Bank Guarantee	77.11	84.61	162.45	126.00	-
Capital Commitment	91.96	-	-	-	-
Income tax demand for AY 2016-17	3.32				
Export Obligation under DEEC(Duty implication)	151.68	-	-	-	-
Total	324.07	84.61	162.45	126.00	-

RESTATEMENT SUMMARY OF SEGMENT REPORT: ANNEXURE – Y

1. PRIMARY SEGMENT:

The Company has identified “Tyres, Tubes & Flaps” as the only primary reporting segment.

2. SECONDARY SEGMENT (BY GEOGRAPHICAL SEGMENT):

(Rs. in Lacs)

Particulars	As at March 31				
	2017	2016	2015	2014	2013
Segment Revenue					
India	9,265.62	8,266.37	7,584.11	5,065.21	5,660.93
Rest of World:					
Africa	676.81	1,260.27	1,781.96	3,296.01	1,424.90
Asia	2,905.98	2,600.04	3,134.59	3,512.48	2,438.99
Other than Asia & Africa	369.19	228.53	404.02	728.13	722.15
Total ROW	3,951.98	4,088.84	5,320.57	7,536.62	4,586.04
Total Segment Revenue	13,217.60	12,355.21	12,904.68	12,601.83	10,246.97
Segment Assets					
India	1,044.64	1,505.40	1,663.06	515.07	370.94
Rest of World:					
Africa	41.09	0.18	88.40	1.49	-
Asia	334.68	63.39	253.85	249.48	112.69
Other than Asia & Africa	14.28	-	-	20.88	-
Total ROW	390.05	63.57	342.25	271.85	112.69
Total Segment Assets	1,434.69	1,568.97	2,005.31	786.92	483.63

In view of the inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the financial years ended March 31, 2017, 2016 and 2015 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "*Financial Statements*" on page 217 of this Draft Red Herring Prospectus.

Indian GAAP differs in certain material aspects 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 Draft Red Herring Prospectus, nor do we provide reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and SEBI ICDR Regulations.

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 "*Risk Factors*" and "*Forward-Looking Statements*" on pages 21 and 20, of this Draft Red Herring Prospectus beginning respectively.

Our Company was incorporated on November 28, 1995 and has completed more than 21 years since incorporation. The Management's Discussion and Analysis of Financial Condition and Results of Operations, reflects the analysis and discussion of our financial condition and results of operations for the financial years ended March 31, 2017, 2016 and 2015.

OVERVIEW

Incorporated in the year 1995, we are a tyre and tube manufacturing Company, manufacturing & marketing our products under our flagship brand "Innovative". We started our journey with the acquisition of a greenfield project situated at Halol in auction from Gujarat State Financial Corporation and State Bank of Bikaner & Jaipur vide agreement dated December 15, 1995. Thereafter we revamped the closed company to our tube manufacturing facility at this property and started manufacturing of tubes in the year 1996. Within a short time after our inception, we were able to successfully get our facility approved by CEAT Limited for carrying out job work activities for them.

As a result of strong business relationship with CEAT Limited, taking the relationship to the next level we set up a greenfield tyre project as a major outsourcing unit in 2003 in a close vicinity of the existing first tube plant in Halol only. While our tube manufacturing facility is spread over 11,200 sq. mtrs, our tyre manufacturing facility occupies an area of approximately 27,833 sq. mtrs. We have an installed production capacity of 12,000 MT of tubes and tyres. Taking a leaf of learning of tyre manufacturing with two-three-wheeler tyre segment, we graduated over a period of 15 years into manufacturing of practically all segments of Nylon Tyres. Today our product range covers all highway sizes, Off The Road (OTR) highway sizes, agriculture and industrial tyres. We also have a factory outlet for display of our products at Vadodara. Our Company have flexibility in our manufacturing facility to address market requirements. Hence product wise revenue data is not maintained by our Company. However, the product wise quantity sold during FY 2016-17 is as under:-

Segment	Total Volume
Two/three wheeler tyres	3,718 MT
Light Commercial Vehicle	2343 MT
Truck Segment	3013 MT
Agriculture and Off the Road Tyres segment	669 MT

Currently our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited For the year ended March 31, 2017, our revenue from export operations constituted 44% (including deemed export) of our total revenue from operations. We have a widespread customer base with our domestic customer base situated in most of the regions of the country and our international customers situated across varied countries covering Middle East, South East Asia, Africa, Latin American Countries etc. We have also been undertaking job work activity for CEAT for more than two decades.

Our Company is promoted by Mukesh Desai and Pradeep Kothari. While our promoter Mukesh Desai has been associated with our Company since its inception, our other Promoter Pradeep Kothari became a part of our Company in 2014. Our Promoter Mukesh Desai is having engineering background with more than 35 years of techno commercial management experience in multi-product, multi-location project installation and operation. Our Promoter Pradeep Kothari has wide experience of multinational companys' representation by way of trading, and managing manufacturing of OTR, Radial Agricultural Tyres and Tubes. He looks after procurement, finance and also finalizing strategy of the Company. He has guided our Company in expanding its operations by taking strategic initiatives such as starting of exports, multi- size expansion, de-risking entire business by strategic product & market selection. With the vision and dedication of our Promoters and management, we aim to create growth opportunities for the Company and develop a sustainable business model.

Customer centricity and quality consciousness have been our major strengths. We believe in a customer centric business model and endeavor to supply customised products to meet our customer's demands. Further we have also been accredited with various quality certifications such as ISO, BPPT issued by Indonesia, Standards Organisation of Nigeria (SON) and PNS certification issued by Bureau of Philippine Standards of the Department of Trade and Industry issued, Compliance statement issued by RDW, Netherlands, Bureau of India Standards. Needless to say, our company (both the tyre and tube plants) are BIS (ISI required for Tyres & Tubes) approved and almost all required sizes has got BIS product certification, which is mandatory for manufacturing and marketing Tyres & Tubes in India. We have also been awarded with "PAR Excellence" award by National Convention on Quality Concepts organised by Quality Circle Forum of India.

From FY 2012-13 to FY 2016-17, as per our Restated Financial Statements, i) our total revenue has shown growth from Rs. 10,301.63 lakhs to Rs. 13,253.77 lakhs, representing a CAGR of 6.69% ii) our EBITDA has shown growth from Rs. 961.51 lakhs to Rs. 1438.20 lakhs, representing a CAGR of 10.59% iii) our profit after tax has shown growth from Rs. 77.51 lakhs to Rs. 407.85 lakhs, representing a CAGR of 51.45% and iv) our Return on networth has shown a growth from 3.18% to 8.89%

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except as follows:-

1. Our Board of Directors in their meeting held on April 1, 2017 authorized Issue of equity shares through Initial Public Offering.
2. Special Resolution passed by members of our Company in their extraordinary general meeting held on May 25, 2017 authorizing issue of equity shares through Initial Public Offer.
3. Special resolution passed by members of our Company in their extraordinary general meeting held on May 25, 2017 increasing borrowing power upto Rs. 130 crore.
4. Special resolution passed by members of our Company in their extraordinary general meeting held on May 25, 2017 for variation in rights attached to redeemable preference shares of Rs. 10 each making them convertible preference shares

5. Special resolution passed by members of our Company in their extraordinary general meeting held on May 25, 2017 to convert preference shares of Rs. 10 each into Equity shares by issue of 21,01,424 Equity shares of face value of Rs. 10 each at a premium of Rs. 25.
6. Our Board of Directors passed resolution at their meeting held on June 15, 2017 to shift the registered office from Vadodara to our tyre manufacturing unit which is situated at 1201, 1202, 1203, GIDC Halol, Halol, Panchmahal, Gujarat, India. Followed by Special resolution passed by the shareholders in Annual General meeting held on July 10, 2017

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 21 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Cost of materials
- Supply and availability of raw material
- Competition and price cutting from existing and new entrants
- Technological changes
- Rate of interest policies
- Economic and Demographic conditions
- Changes in laws and regulations that apply to ceramic industry
- Brand Image

DISCUSSION ON RESULT OF OPERATION

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the financial years ended March 2017, 2016 and 2015.

OVERVIEW OF REVENUE & EXPENDITURE

Revenues

Income from operations:

Our revenue from operations mainly comprises of income from manufacturing of Tyres & tubes, Job work services and other operating revenues such as scrap sale, export incentives, exchange rate difference etc.

Other Income:

Our other income mainly includes interest income on fixed deposit, sundry balance written off, Interest Income on electricity deposits, insurance claims etc.

Amount (Rs. In Lakhs)

Particulars	Till March 31,		
	2017	2016	2015
Income			
Revenue From Operation (Net)	13,217.60	12,355.21	12,904.68
As a % of Total Revenue	99.73%	98.13%	98.87%
Other Income	36.17	235.06	147.78
As a % of Total Revenue	0.27%	1.87%	1.13%
Total Revenue	13,253.77	12,590.27	13,052.46

Expenditure

Our total expenditure primarily consists of direct expenditure i.e. cost of raw materials consumed, changes in inventories of finished goods, work-in-progress and stock-in-trade, finance cost, employee benefit expenses, depreciation and other expenses.

Direct Expenditure

Our direct expenditure includes cost of raw materials consumed such as Carbon black rubber, fabrics, chemicals, compounds etc. and changes in inventories of finished goods, work-in-progress and stock-in-trade.

Employee benefits expense

Our employee benefits expense primarily comprise of director's remuneration, salaries and wages expenses, contribution to various funds such as provident funds, ESIC fund, other employee benefits expense such as staff welfare expenses, gratuity.

Finance Costs

Our finance costs include interest on term loan, cash credit facility, bank charges, interest on other borrowings, LC opening charges, interest on delayed payment of statutory liabilities etc.

Depreciation

Depreciation includes depreciation on tangible assets like building, electrical installations, plant and machinery, vehicle, furniture and fittings, office equipment etc. and amortization of intangible assets like technical know how and trademark.

Other Expenses

Other expenses mainly include operational expenses relating to manufacturing expenses such as labour charges, conversion charges, power & fuel, water charges, consumption of stores & spares and administrative, selling & distribution expenses such as legal & professional fees, insurance expenses, freight & forwarding expenses, discount expenses etc.

Statement of profits and loss

The following table sets forth, for the fiscal years indicated, certain items derived from our Company's audited restated financial statements, in each case stated in absolute terms and as a percentage of total sales and/or total revenue:

Amount (Rs. In Lakhs)

Particulars	For the Year Ended March 31,		
	2017	2016	2015
INCOME			
Revenue From Operation (Net)	13,217.60	12,355.21	12,904.68
As a % of Total Revenue	99.73%	98.13%	98.87%
Other Income	36.17	235.06	147.78
As a % of Total Revenue	0.27%	1.87%	1.13%
Total Revenue (A)	13,253.77	12,590.27	13,052.46
Variance %	5.27%	(3.54)%	3.12%
EXPENDITURE			
Cost of Goods Consumed	8,581.81	6,943.60	8,683.90
As a % of Total Revenue	64.75%	55.15%	66.53%
Purchase of Traded Goods	-	-	-
As a % of Total Revenue	-	-	-
Changes in Inventories of finished goods, work in progress and stock -in-trade	(983.75)	574.21	(564.33)
As a % of Total Revenue	(7.42%)	4.56%	(4.32%)
Employee benefit expenses	516.45	466.50	420.45
As a % of Total Revenue	3.90%	3.71%	3.22%
Finance costs	420.14	518.83	450.72
As a % of Total Revenue	3.17%	4.12%	3.45%
Depreciation and amortization expense	400.08	386.36	260.79

Particulars	For the Year Ended March 31,		
	2017	2016	2015
As a % of Total Revenue	3.02%	3.07%	2.00%
Other expenses	3,701.06	3,284.10	3,330.60
As a % of Total Revenue	27.92%	26.08%	25.52%
Total Expenses (B)	12,635.79	12,173.60	12,582.13
As a % of Total Revenue	95.34%	96.69%	96.40%
Net profit/ (loss) before exceptional, extraordinary items and tax, as restated	617.98	416.67	470.33
As a % of Total Revenue	4.66%	3.31%	3.60%
Exceptional items	-	-	-
Net profit/ (loss) before extraordinary items and tax, as restated	617.98	416.67	470.33
As a % of Total Revenue	4.66%	3.31%	3.60%
Extraordinary items	-	(96.79)	-
Net profit/ (loss) before tax, as restated	617.98	319.88	470.33
As a % of Total Revenue	4.66%	2.54%	3.60%
Tax expense :			
(i) Current tax	197.36	97.73	94.10
(ii) Deferred tax (asset)/liability	12.77	33.06	57.97
(iii) MAT Credit	-	-	(94.10)
Total Tax Expense	210.13	130.79	57.97
Profit for the year/ period	407.85	189.09	412.36
PAT Margin	3.08%	1.50%	3.16%

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2017 WITH FINANCIAL YEAR ENDED MARCH 31, 2016

INCOME

Income from Operations

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Operating Income	13,217.60	12,355.21	6.98%

The operating income of the Company for the year ending March 31, 2017 is Rs. 13,217.60 lakhs as compared to Rs. 12,355.21 lakhs for the year ending March 31, 2016, showing an increase 6.98%. This increase was due to increase in business operations.

Other Income

Our other income decreased by 84.61% to Rs. 36.17 lakhs in FY 2016-17 from Rs. 235.06 lakhs in FY 2015-16. The decrease was mainly due to receipt of insurance claim in FY 2015-16 which was not there in FY 2016-17 and lower amount of sundry balances written off in FY 2016-17.

EXPENDITURE

Direct Expenditure

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Cost of Goods Consumed	8581.81	6943.60	23.59%
Changes in Inventories of finished goods, work in progress and stock -in-trade	(983.75)	574.21	(271.32)%

Our direct expenditure has increased from Rs. 7,517.81 lakhs in Financial Year 2015-16 to Rs. 7,598.06 lakhs in Financial Year 2016-2017 showing an increase of 1.07% over the previous year.

Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Employee Benefit Expenses	516.45	466.50	10.71%
Other Expenses	3701.06	3284.10	12.70%

Employee benefit expenses increased from Rs. 466.50 lakhs in financial year 2015-16 to Rs. 516.45 lakhs in financial year 2016-17 due to increase in provisions for gratuity, leave encashment, bonus expenses, etc.

Our other expenses increased by 12.70% from Rs. 3284.10 lakhs in financial year 2015-16 to Rs. 3701.06 lakhs in financial year 2016-17. The increase was due to increase in manufacturing expenses such as consumption of stores and spare parts, conversion charges TTF, conversion/mixing charges, water charges etc and increase in administrative and selling expenses such as freight and forwarding expenses, legal and professional fees etc.

Finance Charges

Our finance charges have decreased from Rs. 518.83 lakhs in financial year 2015-16 to Rs. 420.14 lakhs in financial year 2016-17. This shows decrease of 19.02% compared to last financial year. The decrease was due to decrease in interest on borrowings, interest to creditor on L/C, L/C opening charges, interest on delayed payment of statutory liabilities etc.

Depreciation

Depreciation expenses for the Financial Year 2016-2017 have increased to Rs. 400.08 lakhs as compared to Rs. 386.36 lakhs for the Financial Year 2015-2016 showing an increase of 3.55%.

Profit before Tax

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Profit Before Tax and after extraordinary items	617.98	319.88	93.19%

Profit before tax increased from Rs. 319.88 lakhs in financial year 2015-16 to Rs. 617.98 lakhs in financial year 2016-17. The increase was mainly due to decrease in direct expenditure, finance costs and increase in revenue from operations.

Further in FY 2015-16, our company suffered a loss of Rs. 96.79 Lakhs on account of fire break out in our factory which reduced our profit before tax to that extent.

Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2016-17	2015-16	Variance in %
Taxation Expenses	210.13	130.79	60.66%
Profit after Tax	407.85	189.09	115.69%

Our Profit after tax increased in FY 2016-17 to Rs 407.85 lakhs from Rs 189.09 lakhs in FY 2015-16 due to increase in revenue from operations.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2016 WITH FINANCIAL YEAR ENDED MARCH 31, 2015

INCOME

Income from Operations

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Operating Income	12,355.21	12,904.68	(4.26)%

The operating income of the Company for the year ending March 31, 2016 is Rs. 12,355.21 lakhs as compared to Rs. 12,904.68 lakhs for the year ending March 31, 2015, showing decrease of 4.26%. This decrease was mainly due to decrease in export sales and export incentives.

Other Income

Our other income increased by 59.06% to Rs. 235.06 lakhs in FY 2015-16 from Rs. 147.78 lakhs in FY 2014-15. The increase was mainly due to receipt of insurance claim in FY 2015-16 off set by decrease in sundry balances written off & interest on deposits.

EXPENDITURE

Direct Expenditure

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Cost of Goods Consumed	6,943.60	8,683.90	(20.04)%
Changes in Inventories of finished goods, work in progress and stock -in-trade	574.21	(564.33)	(201.75)%

Our direct expenditure has decreased from Rs. 8119.57 lakhs in Financial Year 2014-15 to Rs. 7517.81 lakhs in Financial Year 2015-2016 showing decrease of 7.41% over the previous year. The decrease was due to improved margins.

Administrative and Employee Costs

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Employee Benefit Expenses	466.50	420.45	10.95%
Other Expenses	3284.10	3330.60	(1.40)%

Employee benefit expenses increased from Rs. 420.45 lakhs in financial year 2014-15 to Rs. 466.50 lakhs in financial year 2015-16 mainly due to increase in salary expenses and as according to provisions of gratuity etc.

Our other expenses decreased by 1.40% from Rs. 3,330.60 lakhs in financial year 2014-15 to Rs. 3284.10 lakhs in financial year 2015-16. The decrease was due to decrease in various expenses like consumption of stores and spare, freight & forwarding expenses etc.

Finance Charges

Our finance charges have increased from Rs. 450.72 lakhs in financial year 2014-15 to Rs. 518.83 lakhs in financial year 2015-16. This shows an increase of 15.11% compared to last financial year. The increase is mainly due to increase in interest on CC, payment of LC opening charges offset by decrease in interest on term loan.

Depreciation

Depreciation expenses for the Financial Year 2015-2016 have increased to Rs. 386.36 lakhs as compared to Rs. 260.79 lakhs for the Financial Year 2014-2015 showing an increase of 48.15%. This was due to capitalization of Plant and machinery

Profit before Tax

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Profit Before Tax and after extraordinary items	319.88	470.33	(31.99%)

Profit before tax decreased from Rs. 470.33 lakhs in financial year 2014-15 to Rs. 319.88 lakhs in financial year 2015-16. The decrease was due to decline in our business operations. Also our company suffered a loss of Rs. 96.79 Lakhs on account of fire in financial year 2015-16.

Provision for Tax and Net Profit

(Rs. In lakhs)

Particulars	2015-16	2014-15	Variance in %
Taxation Expenses	130.79	57.97	125.62%
Profit after Tax	189.09	412.36	(54.14%)

Our profit after tax decreased to Rs. 189.09 Lakhs in financial year 2015-16 as compared to Rs. 412.36 Lakhs in financial year 2014-15 due to decline in business operations, loss on account of fire and higher tax expenses on account of no MAT credit availability in financial year 2015-16 as compared to financial year 2014-15.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled “Risk Factors” beginning on page 21 of this Draft Red Herring Prospectus to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the section titled “Risk Factors” beginning on page 21 of this Draft Red Herring Prospectus 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.

4. Future relationship between Costs and Income.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, global market situation, etc.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

6. Total turnover of each major industry segment in which the issuer company operates.

The Company is engaged in the business of manufacturing of tyres & tubes. Relevant industry data, as available, has been included in the chapter titled “*Our Industry*” beginning on page 119 of this Draft Red Herring Prospectus.

7. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Draft Red Herring Prospectus.

8. The extent to which the business is seasonal

Our Company’s business is not seasonal in nature. Refer chapter titled “Risk Factors” on page 21 of this Draft Red Herring Prospectus

9. Any significant dependence on a single or few suppliers or customers

The % of Contribution of our Company’s customer and supplier vis a vis the total revenue from operations and raw materials/ finished goods cost respectively as March 31, 2017 is as follows:

Particulars	Customers	Suppliers
Top 5 (%)	42.03%	53.07%
Top 10 (%)	56.80%	64.80%

10. Competitive Conditions

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled “*Our Business*” on page 151 of this Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Our Company utilizes various credit facilities from banks and others for conducting its business. Set forth is a brief summary of our Company's secured and unsecured borrowings as on March 31, 2017 together with a brief description of certain significant terms of such financing arrangements.

SECURED BORROWINGS

1. **Loan of Rs. 4,062.00 Lakhs from State Bank of India as per Sanction letter dated December 26, 2016.**

(Rs. in Lakhs)

Particulars					
Nature of facility	Sanctioned Amount	Rate Of Interest	Repayment	Primary Security	Outstanding as on March 31, 2017
A) Fund based limits :					
Cash credit limit	1,500.00	Present effective rate is 13.40 % p.a.	12 Months i.e. upto 08.12.2017	Hypothecation charge over Raw material, stock in process, finished goods, book debts/ receivables and other current assets	1,573.97
Stand by line of Credit	300.00	Present effective rate is 14.40 % p.a.			
EPC/PCFC/FBD/EBR (Sublimit within Cash Credit)	(1,225.00)	Present effective rate is 13.40 % p.a.			
Term Loan – I	66.00*	Present effective rate is 13.40 % p.a.	54 Equal Monthly Installments	1. Hypothecation of entire plant & machineries of the company. 2. Hypothecation of plant & machineries acquired/ to be acquired out of new term loan. 3. Mortgage charge over factory land & building admeasuring 27833 sq mtr situated	429.60
Term Loan – II (Open term loan)	500.00				

Particulars					
				at plot no. 1201, 1202, 1203 RS No. 1559/P & 2422/P, GIDC Halol, Dist. Panchmahal.	
Sub Total	2,366.00*				2,003.57
B) Non Fund based limits :					
Letter of Credit	1,400.00	-	-	Hypothecation charge over Raw material, stock in process, finished goods, book debts/ receivables and other current assets	1,404.16
Bank Guarantee	100.00	-	-		
Credit Exposure Limit	196.00				
Sub Total	1,696.00				1,404.16
TOTAL	4,062.00				3,407.73

**Term loan I of Rs. 66.00 Lakh has been repaid fully as on the date of restated financial statement.*

Collateral Security (Movable / immovable property)	
Working capital & Term loan / Corporate loan	
a) Extension of mortgage charge over residential flat No. 6 admeasuring 948 Sq ft, Block A Type B , RS No 614 P, Siddharthnagar Apartment Cooperative Housing Society, Gorwa, Dist Vadodara.	
b) Extension of mortgage charge over factory land & building situated at plot No. 1704 admeasuring 11200 Sq mtr RS No. 1583/P, GIDC Halol, Dist Panchmahal	
c) Pledge of shares 20,32,850 shares of company.	
Guarantee	1. Mr. Nitin Mankad 2. Mr. Pradeep Kothari 3. Mr. Mukesh Desai

Special Conditions:-

1. The company is to furnish a 2r permission issued from GIDC before creation of mortgage.
2. Opening of LCs on associate Raman Enterprise is permitted till 31.01.2017
3. Share application money of Rs. 2.28 Cr. To be converted into equity by 31.12.2016 failing which penal interest @0.25% shall be levied.
4. Preference share of Rs.1.50 Cr. to be issued by 28.02.2017 with a minimum tenor of 12 years failing which penal interest @ 0.25% shall be levied.
5. Unsecured loans of Rs. 2.00 Cr. to be brought by 31.03.2017 failing which penal interest @0.25% shall be levied.
6. Withdrawal of USL shall attract penal interest @ 0.25%.
7. Any investment in associate/ subsidiaries shall attract penal interest @ 0.25%.
8. Declaration of dividend without bank's prior approval shall attract penal interest @ 0.25%.
9. Current ratio of atleast 1.05 to be maintained by 31.03.2017 failing which penal interest @0.25% shall be levied.
10. The company should migrate to e-Trade by 31.03.2017

Key Restrictive Covenants:

- a) The company / firm / unit shall obtain prior approval from the bank before going for any major expansion. Any changes in management / directors/ shareholding pattern etc. to be immediately advised by the company / firm / unit to the bank. Any change in the management of the company / firm / unit to be done with bank's approval.
- b) The company will require prior written permission of the bank for borrowing from other FI / Banks / NBFCs and for investing funds in its associate / subsidiary or other companies.

SECURED BORROWING FROM OTHERS

11. Loan of Rs. 5.24 Lakhs from Kotak Mahindra Prime Limited

Nature of Facility	Car Finance
Loan Amount	Rs. 5.24 Lakhs
Rate of Interest	11.00%
EMI Amount	Rs. 11,395
Security	Secured by hypothecation of Vehicle under Loan
Tenor	60 Installments
Amount Outstanding as on March 31, 2017	Rs. 2.88 Lakhs

12. Loan of Rs. 5.24 Lakhs from Kotak Mahindra Prime Limited

Nature of Facility	Car Finance
Loan Amount	Rs. 5.24 Lakhs
Rate of Interest	11.00%
EMI Amount	Rs.11,395
Security	Secured by hypothecation of Vehicle under Loan
Tenor	60 Installments
Amount Outstanding as on March 31, 2017	Rs. 2.88 Lakhs

13. Loan of Rs. 13.00 Lakhs from Kotak Mahindra Prime Limited

Nature of Facility	Car Finance
Loan Amount	Rs. 13.00 Lakhs
Rate of Interest	10.50%
EMI Amount	Rs.27,950
Security	Secured by hypothecation of Vehicle under Loan
Tenor	60 Installments
Amount Outstanding as on March 31, 2017	Rs. 4.63 Lakhs

14. Loan of Rs. 10.95 Lakhs from Kotak Mahindra Prime Limited

Nature of Facility	Car Finance
Loan Amount	Rs. 10.95 Lakhs
Rate of Interest	10.75%
EMI Amount	Rs.23,674
Security	Secured by hypothecation of Vehicle under Loan
Tenor	60 Installments
Amount Outstanding as on March 31, 2017	Rs. 5.08 Lakhs

15. Loan of Rs. 4.70 Lakhs from Corporation Bank

Nature of Facility	Car Finance
Loan Amount	Rs. 4.70 Lakhs
Rate of Interest	11.25%
EMI Amount	Rs.10,278
Security	Secured by hypothecation of Vehicle under Loan
Tenor	60 Installments
Amount Outstanding as on March 31, 2017	Rs. 0.57 Lakhs*

***As on the date of this Draft Red Herring Prospectus, the loan stands fully repaid.**

Note: Company do not have unsecured loan as per restated financial statement as on March 31, 2017

SECTION VI – LEGAL AND OTHER INFORMATION OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus / Red Herring Prospectus/ Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Subsidiaries, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no 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, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters, Subsidiaries or Group Companies.

Except as disclosed below there are no i) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years; (ii) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (iii) pending proceedings initiated against our Company for economic offences; (iv) default and non-payment of statutory dues by our Company; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last five years against our Company and Subsidiaries including fines imposed or compounding of offences done in those five years; or (vi) material frauds committed against our Company in the last five years.

Except as stated below there are no Outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.

Our Board, in its meeting held on July 10, 2017 determined that outstanding dues to creditors in excess of Rs. 100.00 lakhs as per last audited financial statements shall be considered as material dues (“Material Dues”).

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies, would be considered ‘material’ for the purposes of disclosure if the monetary amount of claim by or against the entity or person in any such pending matter exceeds Rs. 5.00 lakhs as determined by our Board, in its meeting held on July 10, 2017.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Companies which are considered to be material. 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 an adverse effect on the operations or performance of our Company.

Unless otherwise stated to contrary, the information provided is as of date of this Prospectus.

LITIGATIONS INVOLVING OUR COMPANY

LITIGATIONS AGAINST OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Proceedings against Our Company for economic offences/securities laws/ or any other law

Nil

Penalties in Last Five Years

Nil

Pending Notices against our Company

Nil

Past Notices to our Company

1. Show Cause Notice bearing reference no. F.No. DRI/AZU/GRU/GOODPACK/INT-04/2016/IOR/1294 dated January 11, 2017 was issued to Innovative Tyres & Tubes Limited (hereinafter referred to as “the Company”) by Directorate of Revenue Intelligence Ahmedabad (hereinafter referred to as “the Revenue Authority”). It was found that Company was involved in import of synthetic rubber contained in Specialized containers known as “(Intermediate Bulk Containers/IBCs/ Metal Boxes/MB5)” which were durable and returnable, without declaring to the Customs and without payment of duty leviable thereon or without claiming any exemption in Bills of Entry thereby contravening the provisions of the Customs Act, 1962 (hereinafter referred to as “the Act”) and that such Intermediate Bulk Containers were liable to be confiscated. Hence, the Company was called upon to show cause in writing as to why:

- a. The Intermediate Bulk Containers of Foreign Origin imported in contravention of the act having FOB value of Rs. 1,84,91,015/- should not be confiscated under the provisions of Section 111(f), 111(j), 111(l) and 111(o) of the Act.
- b. Penalty should not be imposed on them under Section 112(a) of the Act
- c. They should not be held liable to pay applicable duties and charges payable in respect of the Intermediate Bulk Containers under sub-section (2) of Section 125 of the Act, if fine in lieu of confiscation of Intermediate Bulk Containers is imposed on them under sub-section (1) of Section 125 of the Act.

The Company submitted its reply to the Show Cause Notice vide its communication dated July 28, 2017 stating that they had already paid the duty amount along with interest as on June 01, 2017 against the abovementioned import.

Disciplinary Actions taken by SEBI or stock exchanges against Our Company

Nil

Defaults including non-payment or statutory dues to banks or financial institutions

Nil

Details of material frauds against the Company in last five years and action taken by the Companies.

Nil

LITIGATIONS FILED BY OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law

Nil

LITIGATIONS INVOLVING DIRECTOR/S OF OUR COMPANY

LITIGATIONS AGAINST DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Proceeding Under Negotiable Instruments Act, 1881 against Keyoor Bakshi

Gautam Impex has filed a criminal complaint before the First Class Judicial Magistrate, Gandhidham, Gujarat against Growmore Solvent Limited and Others including Keyoor Bakshi under Section 138 of the Negotiable Instruments Act, 1881 on account of dishonour of cheque. The matter is currently pending.

Civil Proceedings

Nil

Taxation Matters

Mukesh Desai is the Promoter as well as Director of the Company. For litigation pertaining to him please refer the head "LITIGATION INVOLVING PROMOTERS OF OUR COMPANY".

Ganesan Kalyanaraman

1. For A.Y 2009-10

Income Tax Department's website under the head 'Response to Outstanding Tax Demand' displays an outstanding demand raised on February 21, 2011 under Section 143(1)(a) of the Income Tax Act, 1961 (hereinafter referred to as the "Act") vide a notice under Section 245 of the Act dated January 23, 2016 amounting to **Rs. 1,92,020/-**. The amount is currently outstanding. This is due to mismatch in TDS deducted by his employer and credited into Income Tax Department.

Keyoor Bakshi

1. For A.Y 2016-17

A Notice was issued to Keyoor Bakshi (hereinafter referred to as "the Assessee") by the Income Tax Department (hereinafter referred to as "the Income Tax Authority") under Section 143 1B of the Income Tax Act, 1961 (hereinafter referred to as "the Act") read with Clause 2 C (iv) of Centralised Processing Returns Scheme of 2011, Notification no. S.O 17(E) dated January 04, 2012. The notice was issued for rectification of defects in the income tax return filed by the Assessee. The notice is currently pending.

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Directors

Nil

Proceedings initiated against our directors for Economic Offences/securities laws/ or any other law

Nil

Directors on list of wilful defaulters of RBI

Nil

LITIGATIONS FILED BY DIRECTOR/S OF OUR COMPANY

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING PROMOTER/S OF OUR COMPANY

LITIGATIONS AGAINST OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Promoters

1. GOVERNMENT LABOUR OFFICER, GODHRA V. MUKESH DESAI

A Criminal case bearing no. **1347/2009** was filed against Mukesh Desai (hereinafter referred to as “**the Defendant**”) before the Court of Honourable Fourth Additional Senior Civil Judge & Judicial Magistrate First Class, Godhra for not complying with the rules of the Factory as per **Section 7/A(2)(A)** of the **Factory Rules, 1963** (hereinafter referred to as “**the Act**”). The Defendant had violated Section 92 of the Act. The Defendant had voluntarily confessed the crime penetrated by him. An amerceable recoupment of Rs. 25,000/- was made on June 19, 2010. The said penalty was paid by the Defendant on June 19, 2010.

2. SHRI D.M DOBARIA, FACTORY INSPECTOR V. MUKESH DESAI

A Criminal case bearing no. **1053/2010** was filed against Mukesh Desai (hereinafter referred to as “**the Defendant**”) before the Court of Honourable Additional Judicial Magistrate First Class, Halol by Shri D.M Dobaria, Factory Inspector (hereinafter referred to as “**the Plaintiff**”). The Plaintiff paid a visit to the industrial site of the Defendant during which the Defendant was seen to be transgressing as per **Section 63** of the **Factories Act, 1948** (hereinafter referred to as “**the Act**”) and thus perpetrating a crime as per Section 92 of the Act. When the summons was issued, the Defendant himself had remained present and confessed his crime. An amerceable recoupment of Rs. 2,500/- was made on April 08, 2017. The said penalty was paid by the Defendant on April 08, 2017.

3. SHRI V.J. PATEL, FACTORY INSPECTOR V. SHRI MUKESH DESAI

A Criminal case bearing no. **2535/2015** was filed against Mukesh Desai (hereinafter referred to as “**the Defendant**”) before the Court of Honourable Additional Judicial Magistrate First Class, Halol by Shri V.J. Patel, Factory Inspector (hereinafter referred to as “**the Plaintiff**”). The Plaintiff paid a visit to the industrial site of the Defendant during which it was found that a labour, Shri Pavankumar Omprakash Singh, died on site due to the fact that the Defendant failed to maintain the flooring pitless. Hence, the Defendant had perpetrated outlawry of Section 32(A) of the **Factories Act, 1948** (hereinafter referred to as “**the Act**”). When the summons was issued, the Defendant himself had remained present and confessed his crime. An amerceable recoupment of Rs. 500/- was made on November 08, 2016. The said penalty was paid by the Defendant on November 08, 2016.

Proceedings initiated against our Promoters for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Promoter in last five years

Nil

Penalties in Last Five Years

Nil

Litigation/defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in Past.

Nil

Adverse finding against Promoter for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR PROMOTER/S

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR GROUP COMPANIES

LITIGATIONS AGAINST OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

1. CONTINENTAL CARBON INDIA LIMITED V. FUTURE TYRES PRIVATE LIMITED

Continental Carbon India Limited (hereinafter referred to as “**the Petitioner**”) filed a Company Petition bearing reference no. **81/2016** dated **February 09, 2016** before the High Court of Gujarat at Ahmedabad against Future Tyres Private Limited (hereinafter referred to as “**the Respondent**”). The Respondent placed an order to the Petitioner for supply of Carbon of different grades. The Petitioner raised the demands and invoices by way of email and other correspondences however, the Respondent failed to pay the debt due to financial problems. The Respondent owed Rs. 56,13,002/- and 18% interest p.a to the petitioner. The Respondent had admitted its dues but sought cooperation from the Petitioner. The matter is currently pending.

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

Past Penalties imposed on our Group Companies

Nil

Proceedings initiated against our Group Companies for Economic Offences/securities laws/ or any other law

Nil

Litigation /Legal Action pending or taken by Any Ministry or any statutory authority against any Group Companies

Nil

Adverse finding against Group Companies for violation of Securities laws or any other laws

Nil

LITIGATIONS FILED BY OUR GROUP COMPANIES

Criminal Litigations

Nil

Civil Proceedings

Nil

Taxation Matters

Nil

Recent Development/Proceeding under Finance Act, 2016 in respect of Income Declaration Scheme, 2016 and The Income Declaration Scheme Rules, 2016

Nil

LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANIES

As on date of this Draft Red Herring Prospectus, our Company does not have any subsidiary Company.

OTHER MATTERS

Nil

DETAILS OF ANY INQUIRY, INSPECTION OR INVESTIGATION INITIATED UNDER PRESENT OR PREVIOUS COMPANIES LAWS IN LAST FIVE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

Nil

OUTSTANDING LITIGATION AGAINST OTHER COMPANIES OR ANY OTHER PERSON WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

Nil

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter “Management Discussion and Analysis of Financial Condition and Result of Operation” on page 252 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

As of March 31, 2017, our Company had 352 creditors, to whom a total amount of Rs. 4,755.64 lakhs was outstanding. As per the requirements of SEBI Regulations, our Company, pursuant to a resolution of our Board dated June 15, 2017, considered creditors to whom the amount due exceeds Rs. 100 lakhs as per our Company’s restated financials for the purpose of identification of material creditors. Based on the above, the following are the material creditors of our Company.

Creditors	Amount (Rs. in Lakhs)
Goldmine Commodities Private Limited	736.02
Gautam Enterprises	599.09
Madura Industrial Textiles Limited	327.39
Raman Enterprises	241.59
Kosync	193.10
Midas Intertrade	159.72
B.P. Chemicals	159.72
Star Polymers Inc	147.52
Rajratan Global Wire Limited	123.01

Further, none of our creditors have been identified as micro enterprises and small scale undertakings by our Company based on available information. For complete details about outstanding dues to creditors of our Company, please see website of our Company www.innovativetyres.com

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, www.innovativetyres.com, would be doing so at their own risk.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government/RBI, various Government agencies and other statutory and/ or regulatory authorities required for carrying on our present business activities and except as mentioned under this heading, no further material approvals are required for carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus and in case of licenses and approvals which have expired; we have either made an application for renewal or are in the process of making an application for renewal. In order to operate our business of manufacturing and exporting Bias Tyres, we require various approvals and/ or licenses under various laws, rules and regulations. For further details in connection with the applicable regulatory and legal framework, please refer chapter “Key Industry Regulations and Policies” on page 175 of this Draft Red herring Prospectus.

The Company has its business located at:

Registered Office: 1201, 1202, 1203 – GIDC Halol, Panch Mahals - 389350, Gujarat, India

Manufacturing Unit:

(1) 1201, 1202, 1203 GIDC Halol, Dist: Panchmahal, Pin: 389350, Gujarat, India

(2) 1704, GIDC Halol, Dist: Panchmahal Pin: 389350, Gujarat, India

Factory Outlet: Shop No.7& 8, Ground Floor, In Ambika Avenue, Besides Tirth Retreat, Near Shivam Hotel, Kapurai Crossing, Kapurai Vadodara, Gujarat, India.

Further, except as mentioned herein below, our Company has not yet applied for any licenses for the proposed activities as contained in the chapter titled “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus to the extent that such licenses/approvals may be required for the same.

The objects clause of the Memorandum of Association enables our Company to undertake its present business activities. The approvals required to be obtained by our Company include the following:

APPROVALS FOR THE ISSUE

Corporate Approvals:

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on April 01, 2017, authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the Extra-Ordinary General Meeting held on May 25, 2017 authorized the Issue.

In- principle approval from the Stock Exchange

We have received in-principle approvals from the stock exchange for the listing of our Equity Shares pursuant to letter dated [●] bearing reference no. [●].

Agreements with NSDL and CDSL

1. The Company has entered into an agreement dated July 24, 2017 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is, Link Intime India Private Limited for the dematerialization of its shares.

2. Similarly, the Company has also entered into an agreement dated August 18, 2017 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited for the dematerialization of its shares.
3. The Company's International Securities Identification Number (“ISIN”) is INE070Y01015.

INCORPORATION AND OTHER DETAILS

1. The Certificate of Incorporation dated November 28, 1995 issued by the Registrar of Companies, Maharashtra, in the name of “INNOVATIVE TYRES & TUBES LIMITED”
2. The Certificate for Commencement of Business dated February 08, 1996 issued by Registrar of Companies, Maharashtra in the name of “INNOVATIVE TYRES & TUBES LIMITED”.
3. Fresh Certificate of Incorporation Consequent upon change of Registered office from the State of Maharashtra to the state of Gujarat issued by the Registrar of Companies, Ahmedabad, Gujarat on April 27, 2016.
4. The Corporate Identification Number (CIN) of the Company is U25112GJ1995PLC086579.

APPROVALS/LICENSES RELATED TO OUR BUSINESS ACTIVITIES

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
1	Certificate of Importer-Exporter Code (IEC)	Foreign Trade Development Officer, Office of Joint Director General Of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry, Government of India	IEC Code: 3496003707	Date of issue: March 27, 1997 Date of Certificate: April 25, 2016	N/A
2	Entrepreneurs Memorandum for setting micro, small and medium Enterprises Unit-1704 GIDC	Entrepreneurial Assistance Unit, Secretariat for Industrial Approvals, Ministry of Industry	1590/SIA/IMO/96	April 16, 1996	N/A
3	Entrepreneurs Memorandum for setting micro, small and medium	Public Relation & Complaints Section, Secretariat for Industrial Assistance, Ministry of	2939/SIA/IMO/2010	September 01, 2010	N/A

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	Enterprises Unit-1201- 02-03 GIDC	Commerce & Industry			
4	License to work at a factory (under Factories Act, 1948 and Rules made thereunder)- Unit-1704 GIDC	Deputy Director, Industrial Safety and Health, Godhara, Directorate Industrial Safety & Health, Gujarat State	Registration Number: 94039/22111/1996 License Number: 26247	December 27, 2016	December 31, 2018
5	License to work at a factory (under Factories Act, 1948 and Rules made thereunder)- Unit-1201- 02-03 GIDC	Deputy Director, Industrial Safety and Health, Godhara, Directorate Industrial Safety & Health, Gujarat State	Registration Number: 79355/22111/2003 License Number: 26284	December 27, 2016	December 31, 2018
6	Certificate for the use of boiler Form VI – Regulation 389 under the Boilers Act, 1923 and rules made thereunder	Assistant / Deputy Director under the provisions of Section 7 or 8 of the Boilers Act, 1923	Registry No. of Boiler – GT 6824	August 22, 2016	NA
7	Form V – [Regulation 381(c)] Provisional order under Section 9 of	Assistant / Deputy Director of boilers under the provisions of Section 7 or 8 of the Boilers Act, 1923	Registry No. of Boiler – GT 5529	Date of Issue: May 01, 2017 Date of effectiveness for	October 29, 2017

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	the Boilers Act, 1923 and rules made thereunder			repairs: April 30, 2017	
8	Certificate for the use of boiler Form VI – Regulation 389 under the Boilers Act, 1923 and rules made thereunder	Assistant / Deputy Director under the provisions of Section 7 or 8 of the Boilers Act, 1923	Registry No. of Boiler – GT 5509	Date of Issue: October 29, 2016 Date of validity: October 30, 2016	October 29, 2017
8	Certificate of Recognition-Export House (under Foreign Trade Policy 2015-2020)	Office of the Joint Director General of Foreign Trade, Ministry of Commerce and Industry	JB-1663	Date of Validity: April 01, 2015 Date of Issue: October 15, 2015	March 31, 2020
9	Solid Waste Disposal Facility Member	Chairman, Nandesari Environment Control Limited	SR. No. 569	September 30, 2006	N/A
10	License to acquire Rubber	Department of Licensing and Excise Duty, Kottayam, Kerala	Licence No. M090696	Date of Issue: March 07, 2017 Date of validity: April 1, 2017	March 31, 2018
11	Advance Authorization under Foreign Trade (Developmen	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade, Ministry of	Authorization No. 3410042462 License No. 3410042462/2/03/00	August 23, 2016	18 months

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue	Date of Expiry
	t and Regulations) Act, 1992	Commerce and Industry, Government of India			
12	Advance Authorization under Foreign Trade (Developmen t and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Authorization No. 3410041716 License No. 3410041716/2/03/00	December 09, 2015	18 months
13	Advance Authorization under Foreign Trade (Developmen t and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Authorization No. 3410042755 License No. 3410042755/2/03/00	December 15, 2016	18 months
14	Advance Authorization under Foreign Trade (Developmen t and Regulations) Act, 1992	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Authorization No. 3410042137 License No. 3410042137/2/03/00	May 04, 2016	18 months

TAX RELATED APPROVALS/LICENSES/REGISTRATIONS

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
1	Permanent Account Number (PAN)	Income Tax Department, Government of India	AAACI1236R	Not traceable	Perpetual
2	Tax Deduction Account Number (TAN)	Income Tax Department, Government of	BRDI00326E	Not traceable	Perpetual

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
		India			
3	Certificate of Registration (under Gujarat Value Added Tax Act, 2003 read with Rule 6 of the Gujarat Value Added Tax Rules, 2006)	Commercial Taxes Department, Government of Gujarat	Registration No. 24171100528	Date of issue: March 05, 2016 Date of effect: July 01, 2002	N/A
4	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994) Unit-1704 GIDC	Office of the Superintendent of Service Tax Range, Halol, Central Excise & Customs	AAACI1236RST001	March 10, 2005	N/A
5	Certificate of Registration of Service Tax (under Chapter V of the Finance Act, 1994 read with the Service Tax Rules, 1994) Unit-1201-02-03 GIDC	Office of the Superintendent of Service Tax Range, Halol, Central Excise & Customs	AAACI1236RST002	March 10, 2005	N/A
5	Certificate of Registration Central Sales Tax (Under Rule 5(1) of Central Sales Tax (Registration and Turnover) Rules, 1957)	Commissionerate of Commercial Tax	24671100528	Date of issue: March 05, 2016	Until cancelled

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
6	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002) Unit-1704 GIDC	Superintendent of Central Excise and Customs, Halol	AAACI1236RXM001	Date of Issue: November 29, 2001	Until revoked or suspended
7	Central Excise Registration Certificate (under Rule 9 of the Central Excise Rules, 2002) Unit-1201-02-03 GIDC	Assistant Commissioner of Central Excise, Halol	AAACI1236RXM002	Date of Issue: December 4, 2002	Until revoked or suspended
8	Professional Tax Enrollment Certificate (PTEC) (under section 5(2) of Gujarat State Tax on Profession, Trades, Calling and Employments Act, 1976)	Commercial Tax Officer	E303021651	April 23, 1996	N/A
9	Professional Tax Registration Certificate (PTRC) (under section 5(1) of Gujarat State Tax on Profession, Trades, Calling and Employments Act, 1976)	Commercial Tax Officer	R303003887	April 23, 1996	N/A

Sr. No.	Authorisation granted	Issuing Authority	Registration No./ Reference No./ License No.	Date of Issue	Validity
10	Form GST REG-25	Government of India and Government of Gujarat	24AARC11236R1ZH	June 25, 2017	Certificate of provisional Registration

LABOUR RELATED APPROVALS/REGISTRATIONS

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue
1.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and rules made thereunder)	Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, Baroda	Establishment Code: GJ/BD/22200	April 24, 2003
2.	Employees Provident Fund Registration (under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and rules made thereunder)	Regional Provident Fund Commissioner, Employees Provident Fund Organisation, Baroda	Establishment Code: GJ/BD/21032	December 10, 1997
3.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948 and rules made thereunder)	Regional Director, Employee's State Insurance Corporation, Gujarat regional Office	Establishment Code: 37-20367-90	March 18, 1996
4.	Registration for Employees State Insurance (under Employees State Insurance Act, 1948 and rules made thereunder)	Employee's State Insurance Corporation, Gujarat regional Office	38000203670000204	Not traceable

Sr. No.	Description	Authority	Registration No./ Reference No./ License No.	Date of Issue
	thereunder) Unit-1201-02-03 GIDC			
5.	Contract Labour Registration Certificate under Contract Labour (Regulation & Abolition) Act, 1970 and rules made thereunder	Assistant Commissioner of Labour and Registering Officer, Contract Labour (Regulation & Abolition) Act, 1970, Godhara	Reference No. ACL/GDA/CLA/CLR/9 509 Serial Number: 5/2003	March 24, 2003

ENVIRONMENT RELATED LICENSES /APPROVALS/ REGISTRATIONS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & Under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation/ Renewal of Authorisation under Rule 5(4) of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules 2008 Unit-1704 GIDC	Gujarat Pollution Control Board, Regional Office Godhara	Consent Order No.: AWH- 14683	Date of issue: December 31, 2013	February 03, 2018
2	Consent to Operate issued by State Pollution Control Board under Section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & Under Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and	Gujarat Pollution Control Board, Gandhinagar	Consent Order No.: AWH-62892	Date of issue: June 17, 2014	May 05, 2019

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Authorisation / Renewal of Authorisation under Rule 5(4) of the Hazardous Waste (Management, Handling & Transboundary Movement) Rules 2008 Unit-1201-02-03 GIDC				

OTHER BUSINESS RELATED APPROVALS

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
1	CAPEXIL Certificate	Director, CAPEXIL, Ministry of Commerce and Industry, Government of India	Certificate No. CAPEXIL/W/002027	April 18, 2016	March 31, 2018
2	Quality Management System for manufacturing & Supply of Butyl Inner Flaps for Automotive, Industrial and Farm Applications ISO 9001:2008	Product Compliance Management, Munich	Certificate No. 1210017964 TMS	March 20, 2015	March 19, 2018
3	Philippine Standard Certification Mark License	Director in-charge, Bureau of Philippine Standards	Certificate No. 1936 License No. Q-1936	Approved on: July 21, 2015	NA
4	Philippine Standard, Quality Certification Mark	Director in-charge, Bureau of Philippine Standards	License No. Q-1937	July 22, 2015	July 21, 2018
5	RDW Compliance	Manager Operations Surveillance, RDW,	Statement No. RDWC-EAV-	January 11, 2017	January 20, 2018

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Statement	Netherlands	02 Correction 01		
6	GSO Conformity Certificate	Standard Organization for GCC(GSO)	CCR No. 220426	May 12, 2017	Valid for one year from date of Attestation
7	Product Certificate 2 under Conformity Assessment Programme	Standards Organisation of Nigeria	PC(R) No. RCOINM0567 93-0000	March 07, 2017	March 06, 2018
8	Product Certificate complying to SNI 0099:2012	Executive Director, Badan Pengkajian Dan Penerapan Teknologi Balai Besar Teknologi Kekuatan Struktur Lembaga Sertifikasi Produk (BPPT)	519/LSPPro-LUK/SNI/I/2017	January 20, 2017	January 19, 2021
9	Product Certificate complying to SNI 0100:2012	Executive Director, Badan Pengkajian Dan Penerapan Teknologi Balai Besar Teknologi Kekuatan Struktur Lembaga Sertifikasi Produk (BPPT)	520/LSPPro-LUK/SNI/I/2017	January 20, 2017	January 19, 2021
10	Product Certificate complying to SNI 6700:2012	Executive Director, Badan Pengkajian Dan Penerapan Teknologi Balai Besar Teknologi Kekuatan Struktur Lembaga Sertifikasi Produk (BPPT)	521/LSPPro-LIK/SNI/I/2017	January 20, 2017	January 19, 2021
11	License of Bureau of Indian Standards	Scientist-E, Bureau Of Indian Standards, Khanpur, Ahmedabad	C M/L- 7798211	Dated: December 21, 2016 Valid from: November	November 20, 2017

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
				21, 2016	
12	License of Bureau of Indian Standards	Scientist-E, Bureau of Indian Standards, Khanpur, Ahmedabad	CM /L - 3695682	Dated: January 30, 2016 Valid from: January 21, 2017	January 20, 2018
13	License of Bureau of Indian Standards	Scientist-E, Bureau of Indian Standards, Khanpur, Ahmedabad	C M/L- 3672165	Dated: October 18, 2016 Valid from: October ,19 2016	October 18, 2017
14	License of Bureau of Indian Standards	Scientist-E, Bureau of Indian Standards, Khanpur, Ahmedabad	C M/L- 3673571	Dated: October 20, 2016 Valid from: October 21, 2016	October 20, 2017
15	Acceptance of Foreign Manufacturer's Reporting Requirements (49 CFR Part 551 Subpart D – US Agent and 566 – Manufacturer Identification)	National Highway Traffic Safety Administration	Submission No- 485cc758-409b-4708-ba17-b236be939163 DOT Code: 1RK	DOT code allotted: May 03, 2017	valid until surrendered/cancelled
16	Designation of Agent for Service of Process under 49 USC § 30164 and 49 CFR Part 551,	Juergen Walther, Agent	Designation of Agent for new brand names	Date of acceptance: November 17, 2011	valid until withdrawn or another agent is designated

Sr No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
	Subpart D				
17.	Registration for setting up of Solar Rooftop Project under Gujarat Solar Power Policy – 2015	Deputy Director, Gujarat Energy Development Agency	GEDO Registration No. RTSPVIND08 042017-7006	April 08, 2017	N/A
18	Membership of Confederation of Indian Industry	Executive, Confederation of Indian Industry	Not traceable	January 01, 2017	December 31, 2017
19	Membership of Federation of Gujarat Industries	Federation of Gujarat Industries, Vadodara	Not traceable	April 04, 2017	March 31, 2018
20	Membership of EXIM Club	EXIM Club, Vadodara	Not traceable	Not traceable	Not traceable
21	Membership with Halol (G.I.D.C) Industries Association for Unit-1201-02-03 GIDC	President, Halol (G.I.D.C) Industries Association	Not traceable	Not traceable	Lifetime
22	Membership with Halol (G.I.D.C) Industries Association for Unit-1704 GIDC	President, Halol (G.I.D.C) Industries Association	Not traceable	Not traceable	Lifetime

INTELLECTUAL PROPERTY RELATED APPROVALS/REGISTRATIONS

TRADEMARKS

Sr. No.	Trademark	Trademark Type	Classes	Applicant	Application No.	Date of Application	Validity/Renewal	Registration Status
1.	INNOVATIVE	Device	12	Innovative Tyres and Tubes Limited	2118765	March 21, 2011	March 21, 2021	Registered
2.	NAVIGATOR	Device	12	Innovative Tyres and Tubes Limited	2118766	March 21, 2011	March 21, 2021	Registered
3	INNOVATIVE	Device	12	Innovative Tyres and Tubes Limited	3586388	July 06, 2017	-	Accepted

PENDING APPROVALS:

1. Shop and Establishment Registration Certificate under Bombay shops & establishment act 1948 for Corporate Office and Factory Outlet.

MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY

1. Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 01, 2017 and by the shareholders of our Company vide a special resolution pursuant to Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on May 25, 2017 at the Registered Office of our Company.

PROHIBITION BY SEBI, RBI OR OTHER GOVERNMENTAL AUTHORITIES

Neither our Company nor any of our Company, our Directors, our Promoters, relatives of Promoters, our Promoter Group and our Group Companies has been declared as wilful defaulter(s) by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group, Directors or Group Companies have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other government authority. Neither our Promoter, nor any of our Directors or persons in control of our Company were or is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other governmental authorities.

None of our Directors are associated with the securities market in any manner, including securities market related business.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with regulation 106M(2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than Rs. 1,000 lakhs and upto 2,500 lakhs. Our Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

We confirm that:

1. In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be 100% underwritten and that the BRLM will underwrite at least 15% of the total issue size. For further details pertaining to underwriting please refer to chapter titled "General Information" beginning on page 74 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Book Running Lead Manager submits the copy of Draft Red Herring Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Red herring Prospectus with Stock Exchange and the Registrar of Companies.

4. In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 74 of this Draft Red Herring Prospectus.
5. The Company has track record of 3 Years and positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application.
6. Net-worth of the company is positive.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. No petition for winding up is admitted by a court or a liquidator has not been appointed of competent jurisdiction against the Company.
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. The Company has a website: www.innovativetyres.com.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE AND WHICH SHALL ALSO BE SUBMITTED TO SEBI AFTER REGISTERING THE DRAFT RED HERRING PROSPECTUS WITH ROC AND BEFORE OPENING OF THE ISSUE IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992

“WE, THE UNDER NOTED BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, CIVIL LITIGATIONS, DISPUTES WITH COLLABORATORS, CRIMINAL LITIGATIONS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - A. THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, 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 ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS COMPANIES ACT, 1956, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS’ CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – NOTED FOR COMPLIANCE**

- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED TO THE EXTENT APPLICABLE.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**
- 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, AS IN TERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013, THE SHARES ISSUED IN THE PUBLIC ISSUE SHALL BE IN DEMAT FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
 - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

- 13.WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLIANCE**
- 14.WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE THAT HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15.WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY (CHECKLIST ENCLOSED)**
- 16.WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER’ AS PER FORMAT SPECIFIED BY THE BOARD (SEBI) THROUGH CIRCULAR – DETAILS ARE ENCLOSED IN “ANNEXURE A”**
- 17.WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.” COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS**
- 18.WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS – NOT APPLICABLE**

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

- (1) “WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN DRAFT RED HERRING PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- (3) WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. - NOTED FOR COMPLIANCE**
- (4) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE**

DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE ISSUER. – NOTED FOR COMPLIANCE

- (5) **WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT RED HERRING PROSPECTUS.**
- (6) **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 and 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Manager any irregularities or lapses in this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Gujarat, Ahmedabad in terms of Section 26 and 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.innovativetyres.com would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Book Running Lead Manager and our Company dated September 01, 2017, the Underwriting Agreement dated September 01, 2017 entered into among the Underwriter and our Company and the Market Making Agreement dated September 01, 2017 entered into among the Market Maker(s), Book Running Lead Manager and our Company.

Our Company and the Book Running Lead Manager shall make all information available 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 or at collection centres, *etc.*

The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business and may in future engage in the provision of services for which they may in future receive compensation. Pantomath Capital Advisors Private Limited is not an 'associate' of the Company and is eligible to Book Running Lead Manager this Issue, under the SEBI (Merchant Bankers) Regulations, 1992.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules,

regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Pantomath Capital Advisors Private Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer “Annexure A” to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at www.pantomathgroup.com

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs, pension funds with minimum corpus of Rs. 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with National Stock Exchange of India Limited for its observations and National Stock Exchange of India Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company 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, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] 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 that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever”.

FILING

The Draft Red Herring Prospectus has not been filed with SEBI, nor has SEBI issued any observation on the Offer Document in terms of Regulation 106(M) (3). However, a copy of the Red Herring Prospectus and Prospectus shall be filed with SEBI Regional Office, Western Regional Office, Unit No: 002, Ground Floor SAKAR I, Near Gandhigram Railway Station opposite Nehru Bridge Ashram Road, Ahmedabad- 380 009, Gujarat, India.. A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered to the RoC situated at Registrar of Companies, Gujarat, Ahmedabad, ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat, India.

LISTING

In terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of obtaining in-principle approval from EMERGE Platform of National Stock Exchange of India Limited. However application will be made to the EMERGE Platform of National Stock Exchange of India Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The EMERGE Platform of National Stock Exchange of India Limited has given its in-principal approval for using its name in our Prospectus vide its letter No. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the EMERGE Platform of National Stock Exchange of India Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of the National Stock Exchange of India Limited mentioned above are taken within six Working Days from the Issue Closing Date.

CONSENTS

Consents in writing of: (a) the Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Banker to the Company and (b) Book Running Lead Manager, Syndicate Member, Underwriter, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue, Syndicate Member to the Issue to act in their respective capacities have been obtained and is filed along with a copy of the Draft Red Herring Prospectus/ Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus/ Prospectus for registration with the RoC. Our Peer Reviewed Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

EXPERT TO THE ISSUE

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

- Report of the Peer Reviewed Auditor on Statement of Tax Benefits
- Report of the Peer Reviewed Auditor on Restated Financial Statements

EXPENSES OF THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “Objects of the Issue” beginning on page 104 of this Draft Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated September 01, 2017 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, Banker to issue *etc.* will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and selling commission for this Issue is as set out in the Underwriting Agreement entered into between our Company and the Book Running Lead Manager. Payment of underwriting commission, brokerage and selling commission would be in accordance with Section 40 of Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and/or public issues since Incorporation, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B) OF THE COMPANIES ACT, 1956 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

None of the equity shares of our Group Companies are listed on any recognised stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and our Company provides for retention of records with the Registrar for a period of at least three year from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the bidder, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant / Bidder, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants / bidders.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within 15 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.

We have constituted the Stakeholders Relationship Committee/ Investor Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on June 15, 2017 For further details, please refer to the chapter titled “*Our Management*” beginning on page 194 of this Draft Red Herring Prospectus.

Our Company has appointed Sejal Desai as Company Secretary and Compliance Officer and she may be contacted at the following address:

Sejal Desai

Innovative Tyres & Tubes Limited

1201, 1202, 1203 – GIDC,

Panchmahals, Halol,

Vadodara – 389350,

Gujarat, India.

Telfax: +91 2676 220621

Email: cs@innovativetyres.co.in

Website: www.innovativetyres.com

Corporate Identification Number: U25112GJ1995PLC086579

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or unblocking of funds, *etc.*

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Except as stated below, there have been no changes in Auditors of our Company in during the last three years preceding the date of this Draft Red Herring Prospectus.

M/s. Parikh Mehta & Associates, Chartered Accountants has completed his term pursuant to Section 139 of the Companies Act, 2013 as Statutory Auditor of our Company in place of whom M/s. Maloo Bhatt and Co, Chartered Accountants was appointed as Statutory Auditor in the annual general meeting held on July 10, 2017

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 85 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

There has been revaluation of our assets in 1995-96 and 2016-2017 but we have not issued any Equity Shares including bonus shares by capitalizing any revaluation reserves.

PURCHASE OF PROPERTY

Except as disclosed in this Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, Our Company has not purchased any property in which the Promoters and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/ the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. 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 FIPB, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the SEBI Listing Regulations on September 2, 2015, which among other things governs the obligations applicable to a listed company which were earlier prescribed under the Equity Listing Agreement. The Listing Regulations have become effective from December 1, 2015.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act, 1956 and Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 362 of this Draft Red herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, SEBI Listing Regulations and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act, SEBI Listing Regulations and our Articles of Association. For further details, please refer to the chapter titled “*Dividend Policy*” on page 216 of this Draft Red herring Prospectus.

FACE VALUE AND ISSUE PRICE PER SHARE

The face value of the Equity Shares is Rs. 10 each and the Issue Price at the lower end of Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and the Regional newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Issue 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 prefilled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

COMPLIANCE WITH SEBI ICDR REGULATIONS

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- 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;
- Right to receive issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013 Act, the terms of the SEBI Listing Regulations and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 362 of this Draft Red herring Prospectus.

MINIMUM APPLICATION VALUE, 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 Issue:

- Agreement dated August 18, 2017 amongst NSDL, our Company and the Registrar to the Issue; and
- Agreement dated July 24, 2017 amongst CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is [●] Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants.

MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 106R of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 4 working days of closure of issue.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues 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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

JOINT HOLDER

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

NOMINATION FACILITY TO BIDDERS

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company

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

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue 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 ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing

reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, 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.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, 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 Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company, and the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bids and any revision to the same shall be accepted **only between 10.00 a.m. and 5.00 p.m. (IST)** during the Bid/Issue Period. On the Bid/Issue Closing Date, the Bids and any revision to the same shall be accepted between **10.00 a.m. and 5.00 p.m. (IST)** or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings and reported by the Book Running Lead Manager to the Stock Exchanges. It is clarified that Bids not uploaded on the electronic system would be rejected. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Bid/Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the 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 of the Price Band, the Bid/Issue Period will be extended for at least three additional working days after revision of Price Band subject to the Bid/ Issue Period not

exceeding 10 working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the changes on the websites of the Book Running Lead Manager and at the terminals of the Syndicate Member.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the Bid cum Application Form, for a particular Bidder, the Registrar to the Issue shall ask for rectified data

MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level and is 100% underwritten.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.1,00,000/- (Rupees One Lakh) per application.

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 issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

MIGRATION TO MAIN BOARD

Our company may migrate to the Main board of NSE from SME Exchange on a later date subject to the following:

- a. *If the Paid up Capital of our Company is likely to increase above Rs. 2,500 lakhs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

OR

- b. *If the Paid up Capital of our company is more than Rs. 1,000 lakhs but below Rs. 2,500 lakhs, our Company may still apply for migration to the Main Board and if the Company fulfils the eligible criteria for listing laid by the Main Board and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the*

Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

MARKET MAKING

The shares issued and transferred through this Issue are proposed to be listed on the NSE EMERGE (SME Exchange) with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on NSE EMERGE Platform of NSE. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 74 of this Draft Red herring Prospectus.

ARRANGEMENT FOR DISPOSAL OF ODD LOT

The trading of the equity shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on NSE EMERGE.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian Companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

APPLICATION BY ELIGIBLE NRIs, FPI'S REGISTERED WITH SEBI, VCF'S, AIF'S REGISTERED WITH SEBI AND QFI'S

It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

RESTRICTIONS, IF ANY ON TRANSFER AND TRANSMISSION OF EQUITY SHARES

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter “Capital Structure” beginning on page 85 of this Draft Red herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled “Main Provisions of the Articles of Association” beginning on page 362 of this Draft Red herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

EMPLOYEE DISCOUNT

The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Eligible Employees must ensure that the Bid Amount does not exceed Rs. 200,000. Eligible Employees must mention the Bid Amount while filling the Bid cum Application Form.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 298 and 309 of this Draft Red Herring Prospectus.

Following is the issue structure:

Initial Public Issue of 62,97,000 Equity Shares of face value of Rs. 10/- each fully paid (the 'Equity Shares') for cash at a price of Rs. [●] (including a premium of Rs. [●]) aggregating to Rs. [●]. The Issue comprises a Net Issue to the public of [●] Equity Shares (the "Net Issue"). The Issue and Net Issue will constitute 35.00% and [●]% of the post-Issue paid-up Equity Share capital of our Company.

The issue comprises a reservation of [●] Equity Shares of Rs. 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and [●] Equity Shares of Rs. 10 each for subscription by Eligible Employees.

Particulars	Net issue to Public*	Market Maker Reservation Portion	Eligible Employees
Number of Equity Shares	[●] Equity Shares	[●] Equity Shares	[●] Equity Shares
Percentage of Issue Size available for allocation	[●]% of Issue Size	[●]% of Issue Size	[●] % of Post Issue Capital
Basis of Allotment / Allocation if respective category is oversubscribed	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 309 of the Draft Red Herring Prospectus	Firm allotment	Proportionate subject to minimum allotment of [●] equity shares and further allotment in multiples of [●] equity shares each. For further details please refer to the section titled " <i>Issue Procedure</i> " beginning on page 309 of the Draft Red Herring Prospectus
Mode of Bid cum Application	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)	Through ASBA Process only	All Applicants/Bidders shall make the application (Online or Physical through ASBA Process only)
Minimum Bid Size	<i>For QIB and NII</i> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application size exceeds Rs 2,00,000 <i>For Retail Individuals</i> [●] Equity shares	[●] Equity Shares of Face Value of Rs. 10.00 each	<i>For Eligible Employees:</i> [●] Equity Shares
Maximum Bid Size	<i>For Other than Retail</i>	[●] Equity Shares of	<i>For Eligible</i>

Particulars	Net issue to Public*	Market Maker Reservation Portion	Eligible Employees
	Individual Investors: For all other investors the maximum application size is the Net Issue to public subject to limits as the investor has to adhere under the relevant laws and regulations as applicable. For Retail Individuals: [●] Equity Shares	Face Value of Rs 10 each	Employees: [●] Equity Shares
Mode of Allotment	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode	Compulsorily in Dematerialised mode
Trading Lot	[●] Equity Shares	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares
Terms of payment	The entire Bid Amount will be payable at the time of submission of the Bid Form		

*allocation in the net offer to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

For the purpose of sub-regulation 43 (4), if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the public.

Eligible Employees bidding in the Employee Reservation Portion should note that while filling the “SCSB/Payment Details” block in the Bid-cum-Application Form, they must mention the Payment Amount, i.e., the Bid Amount, as applicable. Please refer to the chapter titled “Issue Procedure” beginning on page 309 of this Draft Red Herring Prospectus, for further information including rejection of Bids.

Under- subscription, if any, in any category, would be met with spill-over from the other categories or a contribution of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. Our Company, may in consultation with the BRLM, offer a discount to Eligible Employees (“Employee Discount”) in accordance with the SEBI Regulations.

A total of [●] Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in Employee Reservation Category shall be added to the Net Issue to the public.

Under-subscription, if any in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

Employee Discount

The Employee Discount, if any, will be offered to Eligible Employees at the time of making a Bid. Eligible Employees bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Eligible Employees bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Eligible Employees must ensure that the Bid Amount does not exceed Rs. 200,000. Eligible Employees must mention the Bid Amount while filling the Bid cum Application Form.

In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, 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.

Notwithstanding the foregoing, this Issue 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 Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange. In terms of the SEBI Regulations, Non retail applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

BID/ ISSUE OPENING DATE

Bid / Issue Opening Date	[●]
Bid / Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Refunds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., all trading days of stock exchanges excluding Sundays and bank holidays.

(i) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(ii) in case of Bids by Retail Individual Bidders and bids by Eligible Employee, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by book running lead managers to the Stock Exchanges.

ISSUE 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 ("General Information Document"), and including SEBI circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to reflect 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 BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and is not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

Please note that all the Bidders can participate in the Issue only through the ASBA process. All Bidders shall ensure that the ASBA Account has sufficient credit balance such that the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid. Please note that all Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Bidders are required to submit Bids to the Selected Branches / Offices of the RTAs, DPs, Designated Bank Branches of SCSBs or to the Syndicate Members. The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Bid cum Application Form, please refer the above mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by National Stock Exchange of India Limited to act as intermediaries for submitting Bid cum Application Forms are provided on www.nseindia.com For details on their designated branches for submitting Bid cum Application Forms, please see the above mentioned National Stock Exchange of India Limited website.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, the ASBA process become mandatory for all investors w.e.f. January 1, 2016 and it allows the registrar, share transfer agents, depository participants and stock brokers to accept Bid cum Application Forms.

BOOK BUILDING PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via book building process wherein at least 50% of the Net Issue to Public is being issued to the Retail Individual Bidders and the balance shall be issued to QIBs and Non-Institutional Bidders. Further if the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage. However, if the aggregate demand from the Retail Individual Bidders is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid bids being received from them at or above the Issue Price.

Subject to the valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion and Eligible Employees where Allotment to each Retail Individual Bidders and Eligible Employees shall not be

less than the minimum Bid lot, subject to availability of Equity Shares in Retail Portion and Eligible Employees, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Bidders will only be in the dematerialised form. The Bid cum Application Forms which do not have the details of the Bidder's depository account including DP ID, PAN and Beneficiary Account Number shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the bid is liable to be rejected. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the National Stock Exchange of India Limited (www.nseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Bid/Issue Opening Date.

All Bidders 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 Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for 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 and Eligible NRIs, FIIs, FVCIs, etc. FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), applying on a repatriation basis	Blue
Eligible Employees Bidding in the Employee Reservation Portion	Pink

**excluding electronic Bid cum Application Form*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Forms to respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank.

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Red Herring Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. ASBA Bidders are required to ensure that the ASBA

Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries

- i) an SCSB, with whom the bank account to be blocked, is maintained
- ii) a syndicate member (or sub-syndicate member)
- iii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
- iv) a depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v) a registrar to an issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For applications submitted by investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Applicants.

WHO CAN BID?

In addition to the category of Bidders set forth under "*General Information Document for Investing in Public Issues – Category of Investors Eligible to participate in an Issue*", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- Scientific and / or industrial research organisations authorised in India to invest in the Equity Shares.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Bidders:

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs 2,00,000. In case of revision of Bid, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2,00,000.

b) For Other Bidders (Non-Institutional Bidders and QIBs):

The Bid cum Application must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw or lower the size of their Bid at any stage and are required to pay the entire Bid Amount upon submission of the Bid.** The identity of QIBs applying in the Net Issue shall not be made public during the Issue Period. In case of revision in Bid, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs 2,00,000 for being considered for allocation in the Non-Institutional Portion.

INFORMATION FOR THE BIDDERS

- a. Our Company shall file the Red Herring Prospectus with the RoC at least three working days before the Bid / Issue Opening Date.
- b. Our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the ICDR Regulations, in English and Hindi national newspapers and one regional newspaper with wide circulation. In the pre-Issue advertisement, our Company and the Book Running Lead Manager shall advertise the Issue Opening Date, the Issue Closing Date. This advertisement, subject to the provisions of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the ICDR Regulations.
- c. The Price Band as decided by our Company in consultation with the Book Running Lead Manager is Rs. [●] per Equity Share. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share and the minimum bid lot is of [●] Equity Shares. Our Company shall also announce the Price Band at least five Working Days before the Issue Opening Date in English and Hindi national newspapers and one regional newspaper with wide circulation.
- d. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band. Further, this announcement shall be disclosed on the websites of the Stock Exchanges where the Equity Shares are proposed to be listed and shall also be pre-filled in the Bid cum Application Forms available on the websites of the stock exchanges.
- e. The Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Issue Period shall be extended, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days. The revised Price Band and Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in English and Hindi national newspapers and one regional newspaper with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.

The Bidders should note that in case the PAN, the DP ID and Client ID mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Member does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Bid cum Application Form is liable to be rejected.

OPTION TO SUBSCRIBE IN THE ISSUE

- a. As per Section 29(1) of the Companies Act, 2013 allotment of Equity Shares shall be in dematerialised form only.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.

A single Bid cum application from any investor shall not exceed the investment limit / minimum number of specified securities that can be held by him/her/it under the relevant regulations / statutory guidelines and applicable law.

AVAILABILITY OF RED HERRING PROSPECTUS AND BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and National Stock Exchange of India Limited (www.nseindia.com) at least one day prior to the Bid/Issue Opening Date.

PARTICIPATION BY ASSOCIATED/AFFILIATES OF LEAD MANAGER AND SYNDICATE MEMBERS

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, 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.

APPLICATIONS BY ELIGIBLE NRI'S

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour)

BIDS BY ELIGIBLE EMPLOYEES

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed Rs. 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

i. Bids under Employee Reservation Portion by Eligible Employees shall be: made only in the prescribed Bid cum Application Form or Revision Form.

ii. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed Rs. 2,00,000. The maximum Bid in this category by an Eligible Employee cannot exceed Rs. 200,000.

iii. Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

iv. The Bidder should be an Eligible Employee as defined above. In case of joint Bids, the first Bidder shall be an Eligible Employee.

v. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

vi. Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

vii. Eligible Employees can apply at Cut-off Price.

viii. Bid by Eligible Employees can be made also in the Net Issue and such Bids shall not be treated as multiple Bids.

ix. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

x. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

xi. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis.

BIDS BY FPI INCLUDING FIIs

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10.00% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10.00% 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 sectorial 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 an FII or sub account in our Company is 10.00% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

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 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 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client' norms. An FPI is also required to ensure that no

further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

BIDS BY SEBI REGISTERED VCFs, AIFs AND FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus 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 corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

BIDS BY MUTUAL FUNDS

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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 reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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 reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, (the “IRDA Investment Regulations”) are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10.00% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) 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
- 3) 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 Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, 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 reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to 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
- e) Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the Book Running Lead Manager and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

BIDS BY PROVIDENT FUNDS/PENSION FUNDS

In case of Bids made by provident funds with minimum corpus of Rs. 25 Crore (subject to applicable law) and pension funds with minimum corpus of Rs. 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid Cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

BIDS BY BANKING COMPANY

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 reserve the right to reject any Bid by a banking company without assigning any reason.

Bid cum Application Form, failing which our Company reserve the right to reject any Bid by a banking company 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 Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a) (v) (c) (i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

BIDS BY SCSBs

SCSBs participating in the Issue 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 Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.

2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

TERMS OF PAYMENT

Terms of Payment

The entire Issue Price of Rs. [●] per share is payable on Bid cum application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar to the issue shall instruct the SCSBs to unblock the excess amount blocked.

SCSBs will transfer the amount as per the instruction received by the Registrar to the Public Issue Bank Account, post finalisation of basis of Allotment. The balance amount after transfer to the Public Issue Account shall be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for Bidders

The Bidders shall specify the bank account number in the Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid cum Application Amount in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the bid cum application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Bidders shall neither withdraw nor lower the size of their bid cum applications at any stage. In the event of withdrawal or rejection of the Bid cum Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the bid cum application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all Investors are applying in this Issue shall mandatorily make use of ASBA facility.

SIGNING OF UNDERWRITING AGREEMENT AND FILING OF PROSPECTUS WITH ROC

- a) Our Company has entered into an Underwriting agreement dated September 01, 2017
- b) A copy of the Red Herring Prospectus and Prospectus will be filed with the RoC in terms of Section 32 of the Companies Act, 2013 and section 26 of the Companies Act, 2013.

PRE- ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: (i) English National Newspaper; (ii) Hindi National Newspaper; and (iii) Regional Newspaper, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
8. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
11. Submit 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 a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of

Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;
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;
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 should be in compliance with applicable foreign and Indian laws;
18. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
19. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
20. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
22. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Dont's:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders and Eligible Employees);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. If you are a Non-Institutional Investor, Retail Individual Investor or Eligible Employee do not submit your Bid after 3.00 pm on the Bid/ Issue Closing Date;
14. 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;
15. 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;
16. 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);
17. Do not submit more than five Bid cum Application Forms per ASBA Account;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the Application Collecting Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Bidders can contact the Compliance Officer or the Registrar in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

IMPERSONATION

Attention of the Bidders 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.”

UNDERTAKINGS BY THE COMPANY

Our Company undertake as follows:

1. That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at EMERGE Platform of National Stock Exchange of India Limited where the Equity Shares are proposed to be listed within six working days from Issue Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
4. That our Promoter's contribution in full has already been brought in;
5. That no further issue of Equity Shares shall be made till the Equity Shares issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.; and
6. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
7. If our Company does not proceed with the Issue after the Bid/Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
8. If our Company withdraw the Issue after the Bid/Issue Closing Date, our Company shall be

required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;

9. Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period

UTILIZATION OF THE ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

1. all monies received out of the Fresh issue shall be 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;
2. details of all monies utilized out of the Fresh issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Fresh issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in the process of signing the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Agreement dated August 18, 2017 among NSDL, the Company and the Registrar to the Issue;
- b. Agreement dated July 24, 2017 among CDSL, the Company and the Registrar to the Issue;

The Company's shares bear ISIN no INE070Y01015.

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, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders 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 Issue. For taking an investment decision, the Bidders should rely on their own examination of the Issue and the Issuer, and should carefully read the Draft Red Herring prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken *inter-alia* through the Book-Building Process as well as to the Fixed Price Issue. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders in IPOs, 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 should note that investment in equity and equity related securities involves risk and Bidder should not invest any funds in the Issue 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 Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus (“RHP”)/Prospectus filed by the Issuer with the Registrar of Companies (“RoC”). Bidders 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 Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM to the Issue 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 may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs ON EMERGE Platform of NATIONAL STOCK EXCHANGE OF INDIA LIMITED (SME PLATFORM)

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, if applicable. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the DRHP.

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.

The Issuer may also undertake IPO under of chapter XB of the SEBI (ICDR) Regulations, wherein as per,

- Regulation 106M (1): An issuer whose post- issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer, whose post issue face value capital, is more than ten crore rupees and up to twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

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, 1956 and the Companies Act, 2013 (the “Companies Act”), The Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force. Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- (a) In accordance with regulation 106(P) of the SEBI (ICDR) Regulations, issue has to be 100% underwritten and the BRLM has to underwrite at least 15% of the total issue size.
- (b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, total number of proposed allottees in the issue shall be greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
- (c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, Company is not required to file any Offer Document with SEBI nor has SEBI issue any observations on the Offer Document. The Book Running Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- (d) In accordance with Regulation 106(V) of the SEBI ICDR Regulations, the BRLM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the issue.
- (e) The company should have track record of at least 3 years
- (f) The company should have positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth should be positive
- (g) The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
- (h) The issuer shall mandatorily facilitate trading in demat securities.
- (i) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- (j) No petition for winding up is admitted by a court or a liquidator has not been appointed of

competent jurisdiction against the Company

- (k) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the issuer
- (l) The Company should have a website. Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this issue.

Thus Company is eligible for the issue in accordance with regulation 106M (2) and other provisions of chapter XB of the SEBI (ICDR) Regulations as the post issue face value capital is more than 1000 Lakhs but does not exceed Rs. 2500 Lakhs. Company also complies with the eligibility conditions laid by the EMERGE Platform of National Stock Exchange of India Limited for listing of our Equity Shares.

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 Issue Price through the Book Building Process (“**Book Built issues**”) or undertake a Fixed Price Issue (“**Fixed Price Issues**”). An issuer may mention Price or Price Band in the Draft Red Herring Prospectus (in case of a fixed price Issue) and Floor price or price band in the red herring prospectus (in case of a book built 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/ Issue 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 Issue price cannot be lesser than the face value of the securities. Bidders should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue 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/Issue Period. Details of Bid/Issue 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/Issue Period for QIBs one Working Day prior to the Bid/Issue 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/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM and the advertisement in the newspaper(s) issued in this regard

2.6 MIGRATION TO MAIN BOARD

SME Issuer may migrate to the Main Board of SE from the SME Exchange at a later date subject to the following:

- (a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any

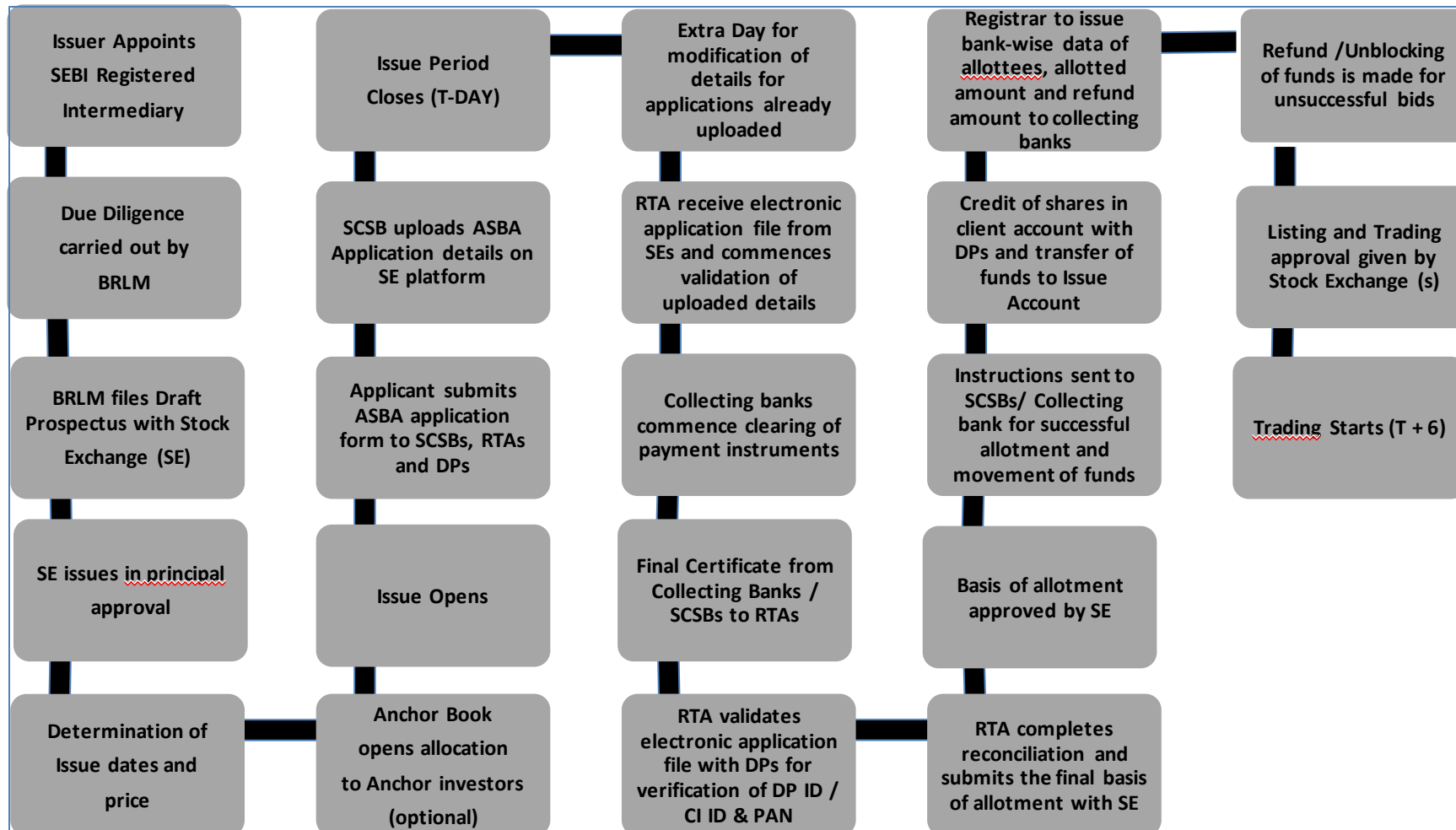
further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), the Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- (b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.7 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

1. Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors through natural/legal guardian;
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidders should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Bids by HUFs would be considered at par with those from individuals;
3. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
12. Insurance Companies registered with IRDA;
13. Provident Funds and Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
14. Multilateral and Bilateral Development Financial Institutions;
15. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
16. Insurance funds set up and managed by army, navy or air force of the Union of India or by Department of Posts, India;
17. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws

As per the existing regulations, OCBs cannot participate in this Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of a member of the Syndicate or any other Designated Intermediary, bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the book running lead manager, members of the Syndicate, Registered Brokers, Designated Intermediaries at Branches of the Bidding Centres, SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the DRHP/RHP.

Fixed Price Issue: Applicants should only use the specified cum Application Form bearing the stamp of an SCSB 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 (Excluding downloaded forms from SE website)
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders applying in the reserved category	Not Applicable

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ ASBA FORM

Bidders may note that forms not filled completely or correctly as per instructions provided in this GUID, the DRHP 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:

R Bid cum Application Form

<p style="text-align: center;">COMMON BID CUM APPLICATION FORM</p>	<p style="text-align: center;">INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R</p> <p style="text-align: center;">Registered Office: 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India CIN: U25112GJ1995PLC086579; Telefax No.: +91 267 6220621; E-mail: investors@innovativetyres.com; Website: www.innovativetyres.com</p>	<p style="text-align: center;">FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</p>																																																																																
<p>To, The Board of Directors INNOVATIVE TYRES AND TUBES LIMITED</p>																																																																																		
<p>BOOK BUILT ISSUE</p> <p>ISIN -</p>		<p>Bid Cum Application Form No. _____</p>																																																																																
<p>SYNDICATE MEMBER'S STAMP & CODE</p>	<p>BROKER'S / SCSB / CDP / RTA STAMP & CODE</p>	<p>1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER</p> <p>Mr./Ms./M/s. _____</p> <p>Address _____</p> <p>Email _____</p> <p>Tel. No (with STD code) / Mobile _____</p>																																																																																
<p>SUB-BROKER'S / SUB-AGENT'S STAMP & CODE</p>	<p>ESCROW BANK / SCSB BRANCH STAMP & CODE</p>	<p>2. PAN OF SOLE / FIRST BIDDER</p> <p>_____</p>																																																																																
<p>BANK BRANCH SERIAL NO.</p>	<p>SCSB SERIAL NO.</p>	<p>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.</p>																																																																																
<p>4. BID OPTIONS (Only Retail Individual Bidders can BID at "Cut-Off"). Price band Rs. [•]</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th colspan="8">No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)</th> <th colspan="8">Price per Equity Share (₹) / "Cut-off"</th> <th rowspan="2">"Cut-Off" (Please ✓/tick)</th> </tr> <tr> <th>8</th><th>7</th><th>6</th><th>5</th><th>4</th><th>3</th><th>2</th><th>1</th> <th>Bid Price</th><th>Retail Discount</th><th>Net Price</th><th>3</th><th>2</th><th>1</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>		Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)								Price per Equity Share (₹) / "Cut-off"								"Cut-Off" (Please ✓/tick)	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	3	2	1	Option 1															<input type="checkbox"/>	(OR) Option 2															<input type="checkbox"/>	(OR) Option 3															<input type="checkbox"/>	<p>5. CATEGORY</p> <p><input type="checkbox"/> Retail Individual Bidder</p> <p><input type="checkbox"/> Non Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [•] equity shares)								Price per Equity Share (₹) / "Cut-off"								"Cut-Off" (Please ✓/tick)																																																																	
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(OR) Option 2															<input type="checkbox"/>																																																																			
(OR) Option 3															<input type="checkbox"/>																																																																			
<p>6. INVESTOR STATUS</p> <p><input type="checkbox"/> Individual(s) - IND</p> <p><input type="checkbox"/> Hindu Undivided Family* - HUF</p> <p><input type="checkbox"/> Non-Resident Indians - NRI</p> <p>(Non-Repatriation basis)</p> <p><input type="checkbox"/> Bodies Corporate - CO</p> <p><input type="checkbox"/> Banks & Financial Institutions - FI</p> <p><input type="checkbox"/> Mutual Funds - MF</p> <p><input type="checkbox"/> National Investment Funds - NIF</p> <p><input type="checkbox"/> Insurance Funds - IF</p> <p><input type="checkbox"/> Insurance Companies - IC</p> <p><input type="checkbox"/> Venture Capital Funds - VCF</p> <p><input type="checkbox"/> Alternate Investment Funds - AIF</p> <p><input type="checkbox"/> Others (Please Specify) - OTH</p> <p>*HUF Should apply only through Karta (Application by HUF would be treated on par with individual)</p>																																																																																		
<p>7. PAYMENT DETAILS PAYMENT OPTION : Full Payment <input type="checkbox"/></p> <p>Amount Blocked (₹ in Figures) _____ (₹ in words) _____</p> <p>ASBA Bank A/c No. _____</p> <p>Bank Name & Branch _____</p>																																																																																		
<p>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 OFFERS ("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.</p>																																																																																		
<p>8A. SIGNATURE OF SOLE / FIRST BIDDER</p> <p>Date: _____, 2017</p>	<p>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the Offer</p> <p>1) _____</p> <p>2) _____</p> <p>3) _____</p>	<p>SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</p>																																																																																

TEAR HERE

<p style="text-align: center;">INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R</p>	<p style="text-align: center;">INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R</p> <p style="text-align: center;">Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA</p>	<p style="text-align: center;">Bid Cum Application Form No.</p> <p>_____</p>
<p>PAN of Sole / First Bidder _____</p>		
<p>Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____</p> <p>Bank & Branch _____</p> <p>Received from Mr./Ms./M/s. _____</p> <p>Telephone / Mobile _____ Email _____</p>		<p>Stamp & Signature of SCSB Branch</p>

TEAR HERE

<p style="text-align: center;">INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R</p>	<p style="text-align: center;">INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R</p> <p style="text-align: center;">Stamp & Signature of Syndicate Member Registered Broker / SCSB / CDP / RTA</p>	<p style="text-align: center;">Name of Sole / First Bidder</p> <p>_____</p>
<p>No. of Equity Shares _____</p> <p>Bid Price _____</p> <p>Amount Blocked (₹) _____</p> <p>ASBA Bank A/c No.: _____</p> <p>Bank & Branch: _____</p>		<p>Acknowledgment Slip for Bidder</p> <p>Bid Cum Application Form No.</p> <p>_____</p>

www.saptrims.com

NR Bid cum Application ASBA Form

COMMON BID CUM APPLICATION FORM

INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - NR
Registered Office: 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India
CIN: U25112GJ1995PLC086579;
Telefax No.: +91 267 6220621; E-mail: investors@innovativetyres.co.in ; Website: www.innovativetyres.com

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS

To,
The Board of Directors
INNOVATIVE TYRES AND TUBES LIMITED

BOOK BUILT ISSUE
ISIN -

Bid Cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE

BROKER'S / SCSB / CDP / RTA STAMP & CODE

1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER
Mr./Ms./M/s. _____
Address _____
Email _____
Tel. No (with STD code) / Mobile _____

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE

2. PAN OF SOLE / FIRST BIDDER

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

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"). Price band Rs. [●]

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)	Price per Equity Share (₹) / "Cut-off"						"Cut-Off" (Please (✓) tick)	
		Bid Price		Retail Discount		Net Price			
	8	7	6	5	4	3	2	1	
Option 1									<input type="checkbox"/>
(OR) Option 2									<input type="checkbox"/>
(OR) Option 3									<input type="checkbox"/>

5. CATEGORY
☐ Retail Individual Bidder
☐ Non Institutional Bidder
☐ QIB

6. INVESTOR STATUS
☐ NRI Non-Resident Indian(s)
(Repatriation basis)
☐ FII FI or Sub Account not a Corporate/
Foreign Individual
☐ FIISA FI Sub Account Corporate/Individual
☐ FVCI Foreign Venture Capital Investor
☐ FPI Foreign Portfolio Investor
☐ OTH Others (Please Specify)

7. PAYMENT DETAILS
Amount Blocked (₹ in Figures) _____ (₹ in words) _____
ASBA Bank A/c No. _____
Bank Name & Branch _____

PAYMENT OPTION : Full Payment ☐

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 OFFERS ("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
Date: _____, 2017

8 B. 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 Offer
1) _____
2) _____
3) _____

SYNDICATE MEMBER/BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Syndicate Member Broker/SCSB/CDP/RTA

Bid Cum Application Form No.

DPID / CLID _____

Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____

PAN of Sole / First Bidder _____

Bank & Branch _____
Received from Mr./Ms./M/s. _____
Telephone / Mobile _____ Email _____

Stamp & Signature of SCSB Branch

INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - NR

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Option 1 Option 2 Option 3
No. of Equity Shares _____
Bid Price _____
Amount Blocked (₹) _____
ASBA Bank A/c No.: _____
Bank & Branch: _____

Name of Sole / First Bidder

Acknowledgment Slip for Bidder

Bid Cum Application Form No. _____

4.1.1 : NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

Bidders should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- (a) **Mandatory Fields:** Bidders should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Bidders 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 members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- (b) **Joint Bids:** In the case of Joint Bids, the Bids should be made in the name of the Bidder 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 would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form/ Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (c) **Impersonation:** Attention of the Bidders is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who:

- *makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its securities; or*
- *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*
- *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 of the said Act.

- (d) **Nomination Facility to Bidder:** 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 should inform their respective DP.

4.1.2 PAN NUMBER OF SOLE /FIRST BIDDER

- a) PAN (of the sole/first Bidder) 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 on behalf of the Central or State Government, Bids by officials appointed by the courts and Bids by Bidders residing in Sikkim ("PAN Exempted Bidders"). Consequently, all Bidders, other than the PAN Exempted Bidders, are required to disclose their PAN in the Bid cum Application Form, irrespective of the Bid Amount. Bids by the Bidders 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 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 by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 BIDDERS DEPOSITORY ACCOUNT DETAILS

- a) Bidder should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum 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) Bidder should ensure that the beneficiary account provided in the Bid cum Application Form is active.
- c) Bidder should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to the offer.
- d) Bidders 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’ sole risk.

4.1.4 : BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the DRHP 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/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs undertaken through the Book Building Process. 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.
- c) **Cut-Off Price:** Retail Individual Investors or Eligible 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 Bid Value and Bid Lot:** The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum Bid value is within the range of above Rs.1,00,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum Bid value.

- e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the DRHP or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Eligible Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.
- b) In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount), then such Bid may be rejected if it is at the Cut-off Price.
- c) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding Rs. 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut off Price.
- e) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- f) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- g) For Anchor Investors, if applicable, the Bid Amount shall be least Rs 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 Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Offer Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- h) A Bid cannot be submitted for more than the issue size.
- i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

- j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the issue Price, the number of Equity Shares Bid for by a Bidder at or above the issue 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.

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- (c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion.

4.1.5 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 Issue are RIIs, NIIs and QIBs.
- (b) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders may refer to the RHP.
- (c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the DRHP.

4.1.6 INVESTOR STATUS

- (a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidder, such as NRIs, FPIs and FVCIs may not be allowed to Bid/apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.
- (c) Bidders 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 should ensure that their investor status is updated in the Depository records.

4.1.7 PAYMENT DETAILS

- i. The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the Bid cum Application Form. If discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP 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.
- ii. Bid Amount cannot be paid in cash, through money order or through postal order or through stock invest.
- iii. Bidders who Bid at Cut-off Price shall DEPOSIT the Bid Amount based on the Cap Price.
- iv. All Bidders can participate in the Offer only through the ASBA mechanism.
- v. Please note that, providing bank account details in the space provided in the Bid cum Application Form is mandatory and Applications that do not contain such details are liable to be rejected.

4.1.7.1. Payment instructions for Bidders

- a) Bidders may submit the Bid cum Application 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, 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 Bid cum Application Forms can be submitted.
- f) Bidders should submit the Bid cum Application Form only at the Bidding Centre i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations
- g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that Bid cum Application 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 Bid cum Application Forms.
- h) Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application 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 Bid cum Application Form in the ASBA Account maintained with the SCSBs
- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.8. Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful Bids 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 Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.
- (d) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bidders, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 6 Working Days of the Bid/Issue Closing Date.

4.1.8.1. Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and eligible employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such Bids for allocation under Non-Institutional Category. These Bids are neither eligible for Discount nor fall under RII category.

4.1.8.2. Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.9. SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders 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, then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the Bids, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum 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.

- (d) Bidders must note that Bid cum Application Form without signature of Bidder and /or ASBA Account holder is liable to be rejected.

4.1.10. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by Bid Collecting Intermediary or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) All communications in connection with Bid made in the Offer should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Bidders should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated Branch of the SCSB.
 - iii. Bidders may contact the Company Secretary and Compliance Officer or BRLM in case of any other complaints in relation to the Offer.
 - iv. In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.
 - v. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker
 - vi. In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.
 - vii. In case of Bids submitted to the DP, the Bidders should contact the relevant DP.
- (c) The following details (as applicable) should be quoted while making any queries -
- i. Full name of the sole or First Bidder, Bid cum Application Form number, Bidder' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Bid.
 - ii. name and address of the Designated Intermediary, where the Bid was submitted; or

For further details, Bidder may refer to the Draft Red Herring Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Offer Period, any Bidder (other than QIBs and NIIs, who can only revise their Bid amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.
- (b) RII may revise / withdraw their Bid till closure of the Bid/Offer period.
- (c) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.
- (d) The Bidder can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the SCSB through which such Bidder had placed the original Bid.

A sample Revision form is reproduced below:

Revision Form – R

COMMON BID REVISION FORM	INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R Registered Office: 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India CIN: U25112GJ1995PLC086579; Telefax No.: +91 267 6220621; E-mail: investors@innovativetyres.co.in ; Website: www.innovativetyres.com	FOR RESIDENT INDIANS INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
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INNOVATIVE To, The Board of Directors INNOVATIVE TYRES AND TUBES LIMITED	BOOK BUILT ISSUE ISIN - [●]	Bid Cum Application Form No. 																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">SYNDICATE MEMBER'S STAMP & CODE</td> <td style="width: 50%;">BROKER'S / SCSEB / DP/ RTA STAMP & CODE</td> </tr> <tr> <td style="width: 50%;">SUB-BROKER'S/SUB-AGENT'S STAMP & CODE</td> <td style="width: 50%;">ESCROW BANK/ SCSEB BRANCH STAMP & CODE</td> </tr> <tr> <td style="width: 50%;">BANK BRANCH SERIAL NO.</td> <td style="width: 50%;">SCSEB SERIAL NO.</td> </tr> </table>	SYNDICATE MEMBER'S STAMP & CODE	BROKER'S / SCSEB / DP/ RTA STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	ESCROW BANK/ SCSEB BRANCH STAMP & CODE	BANK BRANCH SERIAL NO.	SCSEB SERIAL NO.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER</td> </tr> <tr> <td colspan="2">Mr./Ms./M/s. </td> </tr> <tr> <td colspan="2">Address </td> </tr> <tr> <td colspan="2">Email </td> </tr> <tr> <td colspan="2">Tel. No (with STD code) / Mobile </td> </tr> <tr> <td colspan="2">2. PAN OF SOLE / FIRST BIDDER</td> </tr> <tr> <td colspan="2"></td> </tr> <tr> <td colspan="2">3. BIDDERS DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</td> </tr> <tr> <td colspan="2">For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.</td> </tr> </table>		1. NAME & CONTACT DETAILS OF SOLE/FIRST BIDDER		Mr./Ms./M/s. 		Address 		Email 		Tel. No (with STD code) / Mobile 		2. PAN OF SOLE / FIRST BIDDER				3. BIDDERS DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL		For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	
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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 (In Figures) (Bids must be in multiples of [●] equity shares)								Price per Equity Share (₹) / "Cut-off" (In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

5. TO (REVISED BID) (Only Retail individual Bidders can BID at "Cut-Off")												
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of [●] equity shares)								Price per Equity Share (₹) / "Cut-off" (In Figures)			
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1												<input type="checkbox"/>
(OR) Option 2												<input type="checkbox"/>
(OR) Option 3												<input type="checkbox"/>

6. PAYMENT DETAILS									
Additional Amount Blocked (₹ in Figures) (₹ in words) 									
ASBANK 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 OFFERS ("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.

7 A. SIGNATURE OF SOLE / FIRST BIDDER Date: _____, 2017	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSEB to do all acts as are necessary to make the Application in the Offer 1) _____ 2) _____ 3) _____	SYNDICATE MEMBER/BROKER / SCSEB / CDP/ RTA STAMP (Acknowledging upload of Bid in Stock Exchange system) <div style="border: 1px solid black; width: 100%; height: 50px;"></div>
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INNOVATIVE INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA	Bid Cum Application Form No.
PAN of Sole / First Bidder 		
Additional Amount Blocked (₹ in figures) ASBA A/c. No. 		
Bank & Branch 		
Received from Mr./Ms. 		
Telephone / Mobile Email 		

INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - R	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Blocked (₹)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ASBA Bank A/c No.:</td> <td colspan="3"></td> </tr> <tr> <td>Bank & Branch:</td> <td colspan="3"></td> </tr> </table>		Option 1	Option 2	Option 3	No. of Equity Shares				Bid Price				Additional Amount Blocked (₹)				ASBA Bank A/c No.:				Bank & Branch:				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"> Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP/ RTA <div style="border: 1px solid black; width: 100%; height: 50px;"></div> </td> <td style="width: 50%;"> Name of Sole / First Bidder <div style="border: 1px solid black; width: 100%; height: 20px;"></div> </td> </tr> <tr> <td colspan="2"> Acknowledgment Slip for Bidder </td> </tr> <tr> <td colspan="2"> Bid Cum Application Form No. </td> </tr> </table>	Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP/ RTA <div style="border: 1px solid black; width: 100%; height: 50px;"></div>	Name of Sole / First Bidder <div style="border: 1px solid black; width: 100%; height: 20px;"></div>	Acknowledgment Slip for Bidder		Bid Cum Application Form No. 	
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Bid Cum Application Form No. 																																

10 INNOVATIVE TYRES AND TUBES LIMITED

Revision Form – NR

COMMON BID REVISION FORM	INNOVATIVE TYRES AND TUBES LIMITED - INITIAL PUBLIC ISSUE - NR	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs, FIIs, FPIs OR FVCIs, ETC APPLYING ON A REPATRIATION BASIS
	Registered Office: 1201, 1202, 1203 – GIDC Halol, Panchmahals – 389350, Gujarat, India CIN: U25112GJ1995PLC086579; Telefax No.: +91 267 6220621; E-mail: investors@innovativetyres.co.in ; Website: www.innovativetyres.com	

 To, The Board of Directors INNOVATIVE TYRES AND TUBES LIMITED	BOOK BUILT ISSUE ISIN -	Bid Cum Application Form No.
	SYNDICATE MEMBER'S STAMP & CODE BROKER'S / SCSEB / DP / RTA STAMP & CODE SUB-BROKER'S/SUB-AGENT'S STAMP & CODE ESCROW BANK / SCSEB BRANCH STAMP & CODE BANK BRANCH SERIAL NO. SCSEB SERIAL NO.	

PLEASE CHANGE MY BID									
4. FROM (AS PER LAST BID OR REVISION)									
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of 1 equity shares)					Price per Equity Share (₹) / "Cut-off" (In Figures)			
						Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8	7	6	5	4	3	2	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 (In Figures) (Bids must be in multiples of 1 equity shares)					Price per Equity Share (₹) / "Cut-off" (In Figures)			
						Bid Price	Retail Discount, if any	Net Price	"Cut-off" (Please ✓ tick)
Option 1	8	7	6	5	4	3	2	1	
(OR) Option 2									
(OR) Option 3									

6. PAYMENT DETAILS									
PAYMENT OPTION : Full Payment <input type="checkbox"/>									
Additional Amount Blocked (₹ 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 OFFERS ("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.

7A. SIGNATURE OF SOLE / FIRST BIDDER	7 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDERS (AS PER BANK RECORDS)		SYNDICATE MEMBER/BROKER / SCSEB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSEB to do all acts as are necessary to make the Application in the Offer		
Date: _____, 2017	1) _____	2) _____	
	3) _____		

TEAR HERE									
INNOVATIVE TYRES AND TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR									
Acknowledgement Slip for Syndicate Member Broker/SCSEB/CDP/RTA									
Bid Cum Application Form No.									
PAN of Sole / First Bidder									
Additional Amount Blocked (₹ in figures) _____ ASBA A/c. No. _____									
Bank & Branch _____									
Received from Mr./Ms. _____									
Telephone / Mobile _____ Email _____									

TEAR HERE									
INNOVATIVE TYRES AND TUBES LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - NR	Option 1 Option 2 Option 3			Stamp & Signature of Syndicate Member / Registered Broker / SCSEB / CDP / RTA	Name of Sole / First Bidder				
	No. of Equity Shares Bid Price Additional Amount Blocked (₹)								
ASBA Bank A/c No.: _____ Bank & Branch: _____					Acknowledgment Slip for Bidder				
Bid Cum Application Form No.					Bid Cum Application Form No.				

10 INNOVATIVE TYRES AND TUBES LIMITED

4.2.1. NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2. BID OPTIONS REVISION ‘FROM’ AND ‘TO’

- (a) Apart from mentioning the revised number of shares in the Revision Form, the Bidder must also mention the details of shares applied/bid for given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- (b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Eligible Employees and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Eligible Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue 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 Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of Bidders.

4.2.3. PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (less Discount, if applicable) along with the Bid Revision Form. 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) Bidder 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 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 Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the DRHP. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted

downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

- d) In case of a downward revision in the Price Band, RIIs, Eligible Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4. SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3. SUBMISSION OF REVISION FORM/ BID CUM APPLICATION FORM /APPLICATION FORM

4.3.1. Bidders may submit completed Bid cum Application form / Revision Form in the following manner:-

Mode of Bid	Submission of Bid cum Application Form
All investors Bids	To the Bid cum Application Collecting Intermediaries as mentioned in the Draft Red herring Prospectus/ Bid cum Application Form

Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidders had placed the original Bid.

SECTION 5: INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

This being book built issue procedure for fixed price issue is not applicable.

SECTION 6- ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

6.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, Bidders 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 Manager, to register their Bid.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders 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 are requested to refer to the DRHP.

6.2 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/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange

Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

6.3 BUILD UP OF THE BOOK

- a. Bids received from various Bidders 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 BRLM at the end of the Bid/Issue 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/Issue Period.

6.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue 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 Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

6.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) **The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:**
 - 1) the Bids accepted by the Designated Intermediaries,
 - 2) the Bids uploaded by the Designated Intermediaries, and
 - 3) the Bid cum Application Forms accepted but not uploaded by the Designated Intermediaries.
- b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

GROUND OF REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;

- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Submission of more than five Bid cum Application Forms/Application Form as through a single ASBA Account
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Where no confirmation is received from SCSB for blocking of funds
- Bids 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. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Details of ASBA Account not provided in the Bid cum Application Form
- Bids uploaded by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders and Eligible Employees uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- Under-subscription in any category (except QIB Category) 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 BRLM 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.
- In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
- 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 Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of Rs.20 to Rs 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 at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price

at or below such Cut-Off Price, i.e., at or below Rs. 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.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

This being Book Built Issue, this section is not applicable for this Issue.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 BASIS OF ALLOTMENT

Allotment will be made in consultation with the EMERGE Platform of National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth hereunder:

- (a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category x number of Shares applied for).
- (b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- (c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - Each successful Bidder shall be allotted [●] equity shares; and
 - The successful Bidder out of the total bidders for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- (d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- (e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this DRHP.

- (f) The above proportionate allotment of Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual Bidders as described below:
- i. As per regulation 43 (4) of SEBI (ICDR), as the retail individual investor category is entitled to more than fifty per cent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. The balance net offer of shares to the public shall be made available for allotment to
 - individual bidders other than retails individual investors and
 - other investors, including corporate bodies/ institutions irrespective of number of shares applied for.
 - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to bidders in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.

The Executive Director / Managing Director of National Stock Exchange of India Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- (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 are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Equity Shares in the Issue.
- (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) initiate corporate action for credit of shares to the successful Bidders Depository Account will be completed within 4 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Bidder depository account is completed within one Working Day from the date of Allotment, after the funds are transferred from the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue 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 Red Herring Prospectus/ Prospectus. The Designated Stock Exchange may be as disclosed in the Red Herring Prospectus/ Prospectus with which the Basis of Allotment may 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 Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders in pursuance of the DRHP/Prospectus.

If such money is not repaid within eight days 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 eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, 2013 and as disclosed in the DRHP.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

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 50 failing which the entire application monies may be refunded forthwith.

8.3 MODE OF REFUND

Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bids.

8.3.1 Mode of making refunds

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum /or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 4 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 days from the Bid/Issue 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
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid.
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.
Allotment/ Allot/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the respective portion of the Offered Shares by each of the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allottee(s)	Successful Bidders(s) to whom Equity Shares have been allotted/transferred.
Application Supported by Blocked Amount Form/ASBA Form	An application from, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Draft Red Herring Prospectus.
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Application Location(s) / Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad
ASBA form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Draft Red Herring Prospectus.
Banker(s) to the Offer	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public offer Account will be opened and in this case being ICICI Bank Limited and IndusInd Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to the successful Bidders under the Offer and which is described under chapter titled “Issue Procedure” beginning on page 309 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder pursuant to submission of the Bid cum Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in accordance with the Draft Red Herring Prospectus and Bid cum Application Form
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus

Term	Description
	and the Prospectus
Bid/ Issue Opening Date	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Gujarati newspaper [●], each with wide circulation, and in case of any revision, the extended Bid/Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof.
Bidder	Any prospective investor who makes a Bid/Application pursuant to the terms of the DRHP/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 Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLM	The book running lead managers to the Offer namely Pantomath capital Advisors Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges, where the Bidders can submit the Bid cum application 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 website of National Stock Exchange of India Limited.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays)
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Bidder indicating the Equity Shares which will be Allotted/transferred, after approval of Basis of Allotment by the Designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
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
Controlling Branch/Designated Branch	Such branch of the SCSBs which coordinate Bid cum Applications under this Offer by the ASBA Applicants with the Registrar to the Offer and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by

Term	Description
	SEBI from time to time
Cut-off Price	Offer Price, which shall be any price within the Price Band finalised by our Company and the Selling Shareholders in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non Institutional Bidders are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (exc Anchor Investor) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Locations CDP	Such locations of the CDPs where Bidders can submit the Bid cum Application 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 Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Locations CDP	Such centres of the CDPs where Bidders can submit the Bid Cum Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the website of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Date	The date on which the Collection Banks transfer funds from the public issue Accounts, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus following which the Board of Directors may Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholders may give delivery instructions for the transfer of the respective Offered Shares.
Designated Intermediary(ies)	Syndicate, Sub-Syndicate Members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the Bidders, in relation to the Offer
Designated Locations RTA	Such centres of the RTAs where Bidder can submit the Bud cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the respective websites of the Stock Exchange (www.nseindia.com) and updated from time to time
Designated Exchange Stock	The designated stock exchange as disclosed in the Draft Red herring prospectus/ 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.
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated September 07, 2017 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer

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 promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the DRHP
Equity Shares	Equity Shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
First/sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
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
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Issue	The initial public Issue of 62,97,000 Equity Shares of face value of Rs.10 each for cash at a price of Rs. [●] each, aggregating up to Rs.[●]
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
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 DRHP/RHP/Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
Net Offer	The Offer less reservation portion
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the DRHP/RHP/Prospectus and the Bid cum Application Form
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-Resident	A person resident outside India, as defined under FEMA and includes FIIs and FPIs
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 DRHP/RHP/Prospectus constitutes an invitation to subscribe to or

Term	Description
	purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
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 Price	The final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLM on the Pricing Date in accordance with the Book-Building Process and the Red Herring Prospectus
Other Investors	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 and the Selling Shareholders in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the BRLM and will be advertised at least five Working Days prior to the Bid/ Issue Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Gujarati newspaper [●], each with wide circulation
Pricing date	The date on which our Company in consultation with the BRLM, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 32 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price, the size of the Offer and certain other information
Public Offer Account	Account opened with the Banker to the Offer i.e. ICICI Bank Limited and IndusInd Bank Limited under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the bidders on the Designated Date.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (zd) of the SEBI (ICDR) Regulations, 2009.
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to Bidders) shall be made.

Term	Description
Refund Bank(s) / Refund Banker(s)	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership of National Stock Exchange of India Limited having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.nseindia.com/membership/dynaContent/find_a_broker.htm
Registrar /Registrar to the Issue	Registrar to the Offer, in this case being Bigshare Services Private Limited having registered office at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East, Mumbai – 400 072, Maharashtra, India
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bid cum Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Reservation Portion	The portion of the offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category / Categories	Categories of persons eligible for making Bids under reservation portion.
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
RTGS	Real Time Gross Settlement
SCSB/ Self Certified Syndicate Banker	Shall mean a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Bids/Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries or at such other website as may be prescribed by SEBI from time to time
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
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Stock Exchanges / SE	The stock exchanges as disclosed in the DRHP/RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate Agreement	Agreement dated September 01, 2017 entered into amongst the BRLM, the Syndicate Members, our Company in relation to the procurement of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Goldmine Stocks Private Limited
Syndicate or Members of the Syndicate	The BRLM and the Syndicate Members
Underwriter	Pantomath Capital Advisors Private Limited

Term	Description
Underwriting Agreement	The agreement dated September 01, 2017 entered into between the Underwriter and our Company
Working Day	<ol style="list-style-type: none"> 1. Till Application / Issue closing date: All days other than a Saturday Sunday or a public holiday 2. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days, of stock exchanges excluding Sundays and public holidays, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 (“**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 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 Reserve Bank of India (“**RBI**”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”).

The Government of India, from time to time, has 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**”), has issued consolidated FDI Policy Circular of 2017 (“**FDI Policy 2017**”), which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2017 will be valid until the DIPP issues an updated circular.

The Reserve Bank of India (“**RBI**”) also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2017, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore applicable foreign investment up to 100% is permitted in our company under automatic route.

In case of investment in sectors through Government Route approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2017 has to be obtained by the Company.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP/RBI, from time to time. Such conditions include (i) where the transfer of shares requires the prior approval of the Government as per the extant FDI policy provided that: a) the requisite approval of the Government has been obtained; and b) the transfer of shares adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time. ; (ii) where the transfer of shares attract SEBI (SAST) Regulations subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.; (iii) where the transfer of shares does not meet the pricing guidelines under the FEMA, 1999 provided that: a) The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.; b) The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations/guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/substantial acquisition/SEBI SAST); and Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations/guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank and iv) where the investee company is in the financial sector provided that: a) Any ‘fit and proper/due diligence’ requirements as regards the non-resident investor as stipulated by the

respective financial sector regulator, from time to time, have been complied with; and b) The FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, pricing, etc.), reporting requirements, documentation etc., are complied with.. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Investment conditions/restrictions for overseas entities

Under the current FDI Policy 2017, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FII, FPI, NRI, FVCI, LLPs, DRs and Investment Vehicles under Schedule 1, 2, 2A, 3, 6, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49 % or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

i. Investment by FIIs under Portfolio Investment Scheme (PIS):

With regards to purchase/sale of share/s convertible debentures by a registered FII under PIS the total holding by each FII/SEBI approved sub-account of FII shall not exceed 10 % of the total paid-up equity capital or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together shall not exceed 24 % of paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body. For arriving at the ceiling on holdings of FIIs, shares/ convertible debentures acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by FII through off-shore Funds, Global Depository receipts and Euro-Convertible Bonds. With regard to convertible debentures, these investments permitted to be made shall not exceed 5 % of the total paid-up equity capital or 5% of the paid-up value of each series of convertible debentures issued by an Indian Company, and shall also not exceed the over-all ceiling limit of 24 % of paid-up equity capital or paid up value of each series of convertible debentures.

ii. Investment by Registered Foreign Portfolio Investor (RFPI) under Foreign Portfolio Investment (FPI) Scheme

With respect to purchase/sale of shares or convertible debentures or warrants, a RFPI registered in accordance with SEBI (FPI) Regulations, 2014 as amended in regular intervals may purchase shares or convertible debentures or warrants of an Indian company under FPI scheme. The total holding by each RFPI shall be below 10 % of the total paid-up equity capital or 10 % of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all RFPI put together shall not exceed 24 % of paid-

up equity capital or paid up value of each series of convertible debentures. The said limit of 24 % will be called aggregate limit. However, the aggregate limit of 24 % may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body. For arriving at the ceiling on holdings of RFPI, shares or convertible debentures or warrants acquired both through primary as well as secondary market will be included. However, the ceiling will exclude investment made by RFPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds but include holding of RFPI and deemed RFPI in the investee company for computation of 24 % or enhanced limit.

iii. Investment by NRI on repatriation and non-repatriation basis under PIS:

With respect to purchase/sale of shares and/or convertible debentures by a NRI on a stock exchange in India on repatriation and/or non-repatriation basis under PIS is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2000. Further, with regard to limits:

- the paid-up value of shares of an Indian company, purchased by each NRI both on repatriation and on non-repatriation basis, does not exceed 5 % of the paid-up value of shares issued by the company concerned;
 - the paid-up value of each series of convertible debentures purchased by each NRI both on repatriation and non-repatriation basis does not exceed 5 % of the paid-up value of each series of convertible debentures issued by the company concerned;
 - the aggregate paid-up value of shares of any company purchased by all NRIs does not exceed 10 % of the paid up capital of the company and in the case of purchase of convertible debentures
 - the aggregate paid-up value of each series of debentures purchased by all NRIs does not exceed 10 % of the paid-up value of each series of convertible debentures;
- However, the aggregate ceiling of 10 % may be raised to 24 % if a special resolution to that effect is passed by the General Body of the Indian company concerned.

iv. Investment by NRI on Non-repatriation basis

As per current FDI Policy 2017, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase and sale of shares and convertible debentures or warrants by a NRI on Non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2000/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a

requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

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 Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II to the Companies Act and the SEBI Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles

Sr. No	Particulars	
1.	No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.	Table F Applicable.
	Interpretation Clause	
2.	In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:	
	(a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.	Act
	(b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	Articles
	(c) "Auditors" means and includes those persons appointed as such for the time being of the Company.	Auditors
	(d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	Capital
	(e) *"The Company" shall mean Innovative Tyres and Tubes Limited	
	(f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.	Executor or Administrator
	(g) "Legal Representative" means a person who in law represents the estate of a deceased Member.	Legal Representative
	(h) Words importing the masculine gender also include the feminine gender.	Gender

Sr. No	Particulars	
	(i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	In Writing and Written
	(j) The marginal notes hereto shall not affect the construction thereof.	Marginal notes
	(k) "Meeting" or "General Meeting" means a meeting of members.	Meeting or General Meeting
	(l) "Month" means a calendar month.	Month
	(m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.	Annual General Meeting
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.	Extra-Ordinary General Meeting
	(o) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	National Holiday
	(p) "Non-retiring Directors" means a director not subject to retirement by rotation.	Non-retiring Directors
	(q) "Office" means the registered Office for the time being of the Company.	Office
	(r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act.	Ordinary and Special Resolution
	(s) "Person" shall be deemed to include corporations and firms as well as individuals.	Person
	(t) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	Proxy
	(u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	Register of Members
	(v) "Seal" means the common seal for the time being of the Company.	Seal
	(w) Words importing the Singular number include where the context admits or requires the plural number and vice versa.	Singular number
	(x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	Statutes
	(y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time.	These presents
	(z) "Variation" shall include abrogation; and "vary" shall include abrogate.	Variation
	(aa) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	Year and Financial Year
	Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in	Expressions in the Act to bear the same meaning in Articles

Sr. No	Particulars	
	force.	
	CAPITAL	
3.	The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.	Authorized Capital.
4.	The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act.	Increase of capital by the Company how carried into effect
5.	Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new 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.	New Capital same as existing capital
6.	The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.	Non Voting Shares
7.	Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.	Redeemable Preference Shares
8.	The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.	Voting rights of preference shares
9.	On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;	Provisions to apply on issue of Redeemable Preference Shares

Sr. No	Particulars	
	<p>(b) No such Shares shall be redeemed unless they are fully paid;</p> <p>(c) Subject to section 55(2)(d)(i) 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 security premium account, before the Shares are redeemed;</p> <p>(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and</p> <p>(e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital</p>	
10.	<p>The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p>(a) the share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any security premium account</p> <p>In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>	Reduction of capital
11.	<p>Any 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, attending (but not voting) at the General Meeting, 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 the General Meeting by a Special Resolution.</p>	Debentures
12.	<p>The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.</p>	Issue of Sweat Equity Shares

Sr. No	Particulars	
13.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	ESOP
14.	Notwithstanding anything contained in these articles but 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, the company may purchase its own shares or other specified securities.	Buy Back of shares
15.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which 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.	Consolidation, Sub-Division And Cancellation
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country.	Issue of Depository Receipts
17.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder.	Issue of Securities
	MODIFICATION OF CLASS RIGHTS	
18.	(a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	Modification of rights
	(b) The rights conferred upon the holders of the Shares	New Issue of Shares not to

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	including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.	affect rights attached to existing shares of that class.
19.	Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being 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 and with the sanction of the company in the General Meeting to 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 Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.	Shares at the disposal of the Directors.
20.	The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder.	Power to issue shares on preferential basis.
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	Shares should be Numbered progressively and no share to be subdivided.
22.	An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any 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 shall for the purposes of these Articles, be a Member.	Acceptance of Shares.
23.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and	Directors may allot shares as full paid-up

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	if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.	
24.	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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.	Deposit and call etc.to be a debt payable immediately.
25.	Every Member, or his heirs, executors, administrators, or legal representatives, 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 Company's regulations, require on date fixed for the payment thereof.	Liability of Members.
26.	Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.	Registration of Shares.
	RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT	
27.	The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act	
	CERTIFICATES	
28.	(a) Every member 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 provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and 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 such form as the directors may prescribe or approve, provided that 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 one of several joint holders shall be sufficient delivery to all such holder. Such certificate 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 coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in	Share Certificates.

Sr. No	Particulars	
	<p>cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. 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.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) 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.</p>	
29.	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem 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 Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates 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.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation 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</p>	<p>Issue of new certificates in place of those defaced, lost or destroyed.</p>

Sr. No	Particulars	
	applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	
30.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	The first named joint holder deemed Sole holder.
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	Maximum number of joint holders.
31.	Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.	Company not bound to recognise any interest in share other than that of registered holders.
32.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	Installment on shares to be duly paid.
	UNDERWRITING AND BROKERAGE	
33.	Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	Commission
34.	The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	Brokerage
	CALLS	
35.	(1) 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 a circular	Directors may make calls

Sr. No	Particulars	
	<p>resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p>	
36.	Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.	Notice of Calls
37.	A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.	Calls to date from resolution.
38.	Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on uniform basis.
39.	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 members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.	Directors may extend time.
40.	If any Member fails to pay any call 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 not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.	Calls to carry interest.
41.	If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.	Sums deemed to be calls.
42.	On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to	Proof on trial of suit for money due on shares.

Sr. No	Particulars	
	<p>prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that 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 was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>	
43.	<p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of 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 forfeiture of such shares as hereinafter provided.</p>	<p>Judgment, decree, partial payment motto proceed for forfeiture.</p>
44.	<p>(a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.</p> <p>(b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.</p>	<p>Payments in Anticipation of calls may carry interest</p>
	LIEN	
45.	<p>The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up</p>	<p>Company to have Lien on shares.</p>

Sr. No	Particulars	
	<p>shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.</p>	
46.	<p>For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall 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 lieu thereof to the purchaser or purchasers concerned.</p>	<p>As to enforcing lien by sale.</p>
47.	<p>The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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.</p>	<p>Application of proceeds of sale.</p>
	<p>FORFEITURE AND SURRENDER OF SHARES</p>	
48.	<p>If any Member fails to pay the whole or any part of any call or installment or any moneys 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, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other</p>	<p>If call or installment not paid, notice may be given.</p>

Sr. No	Particulars	
	moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.	
49.	<p>The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.</p> <p>The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>	Terms of notice.
50.	If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by 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.	On default of payment, shares to be forfeited.
51.	When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.	Notice of forfeiture to a Member
52.	Any shares 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 in their absolute discretion shall think fit.	Forfeited shares to be property of the Company and may be sold etc.
53.	Any Member 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 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 the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.	Members still liable to pay money owing at time of forfeiture and interest.
54.	The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other	Effect of forfeiture.

Sr. No	Particulars	
	rights incidental to the share, except only such of those rights as by these Articles are expressly saved.	
55.	A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have 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.	Evidence of Forfeiture.
56.	The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.	Title of purchaser and allottee of Forfeited shares.
57.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.	Cancellation of share certificate in respect of forfeited shares.
58.	In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.	Forfeiture may be remitted.
59.	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 purchasers 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.	Validity of sale
60.	The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.	Surrender of shares.
	TRANSFER AND TRANSMISSION OF SHARES	

Sr. No	Particulars	
61.	<p>(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.</p> <p>(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.</p>	Execution of the instrument of shares.
62.	<p>The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.</p> <p>The instrument of transfer shall be in a common form approved by the Exchange;</p>	Transfer Form.
63.	<p>The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.</p>	Transfer not to be registered except on production of instrument of transfer.
64.	<p>Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register—</p> <p>(a) any transfer of shares on which the company has a lien.</p> <p>That registration of transfer shall however 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;</p>	Directors may refuse to register transfer.
65.	<p>If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the</p>	Notice of refusal to be given to transferor and transferee.

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	provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.	
66.	No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.	No fee on transfer.
67.	The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.	Closure of Register of Members or debentureholder or other security holders..
68.	The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.	Custody of transfer Deeds.
69.	Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.	Application for transfer of partly paid shares.
70.	For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.	Notice to transferee.
71.	<p>(a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares.</p> <p>(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.</p> <p>Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion,</p>	Recognition of legal representative.

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	<p>may consider adequate</p> <p>(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	
72.	<p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act.</p>	<p>Titles of Shares of deceased Member</p>
73.	<p>Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.</p>	<p>Notice of application when to be given</p>
74.	<p>Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they 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 this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.</p>	<p>Registration of persons entitled to share otherwise than by transfer. (transmission clause).</p>
75.	<p>Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.</p>	<p>Refusal to register nominee.</p>

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76.	Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.	Board may require evidence of transmission.
77.	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 or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had 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 require to regard or attend or give effect to any notice which may be given to them 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 Directors shall so think fit.	Company not liable for disregard of a notice prohibiting registration of transfer.
78.	In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit.	Form of transfer Outside India.
79.	No transfer shall be made to any minor, insolvent or person of unsound mind.	No transfer to insolvent etc.
	NOMINATION	
80.	<ul style="list-style-type: none"> i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination. ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 iii) The Company shall not be in any way responsible for transferring the securities consequent upon such 	Nomination

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	<p>nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p>	
81.	<p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	Transmission of Securities by nominee
	DEMATERIALISATION OF SHARES	
82.	Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.	Dematerialisation of Securities
	JOINT HOLDER	
83.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	Joint Holders
84.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	Joint and several liabilities for all payments in respect of shares.
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any	Title of survivors.

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	other person;	
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	Receipts of one sufficient.
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.	Delivery of certificate and giving of notices to first named holders.
	SHARE WARRANTS	
85.	The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon 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 persons 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.	Power to issue share warrants
86.	<p>(a) 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 call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of 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 deposit warrant.</p> <p>(b) Not more than one person shall be recognized as depositor of the Share warrant.</p> <p>(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.</p>	Deposit of share warrants
87.	<p>(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) 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 holder of the Share included in the warrant, and he shall be a Member of the Company.</p>	Privileges and disabilities of the holders of share warrant
88.	The Board may, from time to time, make bye-laws as to 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.	Issue of new share warrant coupons

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	CONVERSION OF SHARES INTO STOCK	
89.	The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination.	Conversion of shares into stock or reconversion.
90.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation 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.	Transfer of stock.
91.	The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of stock holders.
92.	Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words "share" and "shareholders" in those regulations shall include "stock" and "stockholders" respectively.	Regulations.
	BORROWING POWERS	
93.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	Power to borrow.
94.	Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of	Issue of discount etc. or with special privileges.

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	Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.	
95.	The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.	Securing payment or repayment of Moneys borrowed.
96.	Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.	Bonds, Debentures etc. to be under the control of the Directors.
97.	If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.	Mortgage of uncalled Capital.
98.	Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.	Indemnity may be given.
	MEETINGS OF MEMBERS	
99.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	Distinction between AGM & EGM.
100.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	Extra-Ordinary General Meeting by Board and by requisition

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	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	When a Director or any two Members may call an Extra Ordinary General Meeting
101.	No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.	Meeting not to transact business not mentioned in notice.
102.	The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not 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 Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.	Chairman of General Meeting
103.	No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.	Business confined to election of Chairman whilst chair is vacant.
104.	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	Chairman with consent may adjourn meeting.
105.	In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member.	Chairman's casting vote.
106.	Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.	In what case poll taken without adjournment.
107.	The demand for a poll except on the question of the	Demand for poll not to

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	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.	prevent transaction of other business.
	VOTES OF MEMBERS	
108.	No Member 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, upon a poll or electronically, or be reckoned in a quorum 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 or lien.	Members in arrears not to vote.
109.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	Number of votes each member entitled.
110.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	Casting of votes by a member entitled to more than one vote.
111.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor 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.	Vote of member of unsound mind and of minor
112.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	Postal Ballot
113.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	E-Voting
114.	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be	Votes of joint members.

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	<p>accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joint holders thereof.</p> <p>b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	
115.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	Votes may be given by proxy or by representative
116.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	Representation of a body corporate.
117.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	Members paying money in advance.
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	Members not prohibited if share not held for any specified period.
118.	Any person entitled under Article 73 (transmission clause) 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 indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members.
119.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly	No votes by proxy on show of hands.

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	Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	
120.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Appointment of a Proxy.
121.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Form of proxy.
122.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	Validity of votes given by proxy notwithstanding death of a member.
123.	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.	Time for objections to votes.
124.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	Chairperson of the Meeting to be the judge of validity of any vote.
	DIRECTORS	
125.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution	Number of Directors
126.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	Qualification shares.
127.	(a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time	Nominee Directors.

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	<p>being in force or of any agreement</p> <p>(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.</p> <p>(c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.</p> <p>(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.</p>	
128.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for 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 India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.	Appointment of alternate Director.
129.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting.	Additional Director
130.	Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.	Directors power to fill casual vacancies.
131.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for)	Sitting Fees.

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	shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	
132.	The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.	Travelling expenses Incurred by Director on Company's business.
	PROCEEDING OF THE BOARD OF DIRECTORS	
133.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.	Meetings of Directors.
134.	a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	Chairperson
135.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	Questions at Board meeting how decided.
136.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Continuing directors may act notwithstanding any vacancy in the Board
137.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee 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 in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall	Directors may appoint committee.

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	have the like force and effect as if done by the Board.	
138.	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 regulations made by the Directors under the last preceding Article.	Committee Meetings how to be governed.
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Chairperson of Committee Meetings
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	Meetings of the Committee
141.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall 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.	Acts of Board or Committee shall be valid notwithstanding defect in appointment.
	RETIREMENT AND ROTATION OF DIRECTORS	
142.	Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.	Power to fill casual vacancy
	POWERS OF THE BOARD	
143.	The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However 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.	Powers of the Board
144.	Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these	Certain powers of the Board

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	powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say	
	(1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India.	To acquire any property , rights etc.
	(2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy.	To take on Lease.
	(3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company.	To erect & construct.
	(4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.	To pay for property.
	(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.	To insure properties of the Company.
	(6) To open accounts with any Bank or Bankers and to	To open Bank accounts.

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	pay money into and draw money from any such account from time to time as the Directors may think fit.	
	(7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.	To secure contracts by way of mortgage.
	(8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon.	To accept surrender of shares.
	(9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.	To appoint trustees for the Company.
	(10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.	To conduct legal proceedings.
	(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.	Bankruptcy & Insolvency
	(12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.	To issue receipts & give discharge.
	(13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.	To invest and deal with money of the Company.
	(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon;	To give Security by way of indemnity.

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	(15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise.	To determine signing powers.
	(16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company.	Commission or share in profits.
	(17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.	Bonus etc. to employees.
	(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such	Transfer to Reserve Funds.

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	funds, interest at such rate as the Board may think proper.	
	(19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.	To appoint and remove officers and other employees.
	(20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.	To appoint Attorneys.
	(21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.	To enter into contracts.
	(22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its	To make rules.

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	Officers and employees.	
	(23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company.	To effect contracts etc.
	(24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests.	To apply & obtain concessions licenses etc.
	(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.	To pay commissions or interest.
	(26) To redeem preference shares.	To redeem preference shares.
	(27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.	To assist charitable or benevolent institutions.
	(28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.	
	(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national	

Sr. No	Particulars	
	or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.	
	<p>(31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p> <p>(32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p> <p>(33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p> <p>(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p> <p>(35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>	
	MANAGING AND WHOLE-TIME DIRECTORS	

Sr. No	Particulars	
145.	<p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p>	Powers to appoint Managing/ Wholetime Directors.
146.	The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.	Remuneration of Managing or Wholetime Director.
147.	<p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from</p>	Powers and duties of Managing Director or Whole-time Director.

Sr. No	Particulars	
	<p>time to time appoint any Managing Director or Managing Directors or Wholtime Director or Wholtime Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>	
	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer	
148.	<p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations 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>	Board to appoint Chief Executive Officer/ Manager/ Company Secretary/ Chief Financial Officer
	THE SEAL	
149.	(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.	The seal, its custody and use.

Sr. No	Particulars	
	(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.	
150.	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 authorized 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.	Deeds how executed.
	Dividend and Reserves	
151.	<p>(1) 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.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>(3) 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.</p>	Division of profits.
152.	The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	The company in General Meeting may declare Dividends.
153.	<p>a) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing 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.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting</p>	Transfer to reserves

Sr. No	Particulars	
	them aside as a reserve.	
154.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.	Interim Dividend.
155.	The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.	Debts may be deducted.
156.	No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share.	Capital paid up in advance not to earn dividend.
157.	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 dividends as from a particular date such share shall rank for dividend accordingly.	Dividends in proportion to amount paid-up.
158.	The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same.	Retention of dividends until completion of transfer under Articles .
159.	No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company.	No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof.
160.	A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer.	Effect of transfer of shares.
161.	Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.	Dividend to joint holders.
162.	<p>a) 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.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	Dividends how remitted.
163.	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.	Notice of dividend.

Sr. No	Particulars	
164.	No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.	No interest on Dividends.
	CAPITALIZATION	
165.	<p>(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:</p> <p>(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or</p> <p>(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>(3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.</p> <p>(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	Capitalization.
166.	<p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall —</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and</p> <p>(b) generally to do all acts and things required to give effect thereto.</p> <p>(2) The Board shall have full power -</p> <p>(a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such</p>	Fractional Certificates.

Sr. No	Particulars	
	<p>capitalization, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p>	
167.	<p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p>	Inspection of Minutes Books of General Meetings.
168.	<p>a) 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 members not being directors.</p> <p>b) No member (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.</p>	Inspection of Accounts
	FOREIGN REGISTER	
169.	The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers.	Foreign Register.
	DOCUMENTS AND SERVICE OF NOTICES	
170.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	Signing of documents & notices to be served or given.
171.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or	Authentication of documents and proceedings.

Sr. No	Particulars	
	Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	
	WINDING UP	
172.	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	
	INDEMNITY	
173.	<p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.</p>	Directors' and others right to indemnity.
174.	<p>Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon</p>	Not responsible for acts of others

Sr. No	Particulars	
	which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	
	SECRECY	
175.	(a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.	Secrecy
	(b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	Access to property information etc.

SECTION IX – OTHER INFORMATION**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at 1201, 1202, 1203 – GIDC, Panchmahals, Halol, Vadodara – 389350, Gujarat, India. from date of filing this Draft Red Herring Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Issue Agreement dated September 01, 2017 between our Company and the Book Running Lead Manager.
2. Registrar to the issue agreement dated September 01, 2017 between our Company and Link-In time Private Limited, Registrar to the Issue.
3. Underwriting Agreement dated September 01, 2017 between our Company and Underwriter viz. Lead Manager.
4. Market Making Agreement dated September 01, 2017 between our Company, Market Maker and the Lead Manager.
5. Banker to the Issue Agreement dated September 01, 2017 amongst our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated August 18, 2017
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated July 24, 2017
8. Syndicate agreement dated September 01, 2017 entered between our Company, Syndicate Member i.e. Goldmine Stocks Private Limited and Book Running Lead Manager

Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board of Directors dated April 01, 2017 in relation to the Issue
3. Special Resolution of the shareholders passed at the Extra-ordinary General Meeting dated May 25, 2017 authorizing the Issue.
4. Statement of Tax Benefits dated June 30, 2017 issued by Peer Review Auditor, M/s Maloo Bhatt & Co., Chartered Accountants.
5. Report of the Peer Review Auditor, M/s Maloo Bhatt & Co., Chartered Accountants dated June 30, 2017 on the Restated Financial Statements for the financial year ended on March 31, 2017, 2016, 2015, 2014 and 2013 of our Company.
6. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, Peer Reviewed Auditor, Legal Advisor to the Issue, the Book Running Lead Manager, Registrar to the Issue, Underwriter, Bankers to the Issue/ Public Issue Bank and Refund Bank, Banker to the Company, Syndicate Members and Market Maker to act in their respective capacities.
7. Copy of approval from National Stock Exchange of India Limited *vide* letter dated [●], to use

the name of National Stock Exchange of India Limited in this offer document for listing of Equity Shares on EMERGE Platform of National Stock Exchange of India Limited.

8. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Vaishali Mankad.
9. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kothari and Minakshi Mankad.
10. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kotahri and Nitinbhai Mankad.
11. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kotahri and Riddhi Mankad.
12. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Nitinbhai Mankad.
13. Shareholders Agreement dated December 09, 2016 entered between Pradeep Kotahri and Rachit Mankad.
14. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Mankad Mankad.
15. Shareholders Agreement dated December 09, 2016 entered between Kirit Vasa and Vaishali Mankad.

None of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the under signed, hereby certify and declare that, all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India or the regulations / guidelines issued by SEBI, as the case may be, have been complied with and no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations / guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true and correct.

Signed by all the Directors and Promoters of our Company

Name and Designation	Signature
<i>Mukesh Desai</i> <i>Chairman and Managing Director</i>	Sd/-
<i>Pradeep Kothari</i> <i>Whole time Director</i>	Sd/-
<i>Nitinbhai Mankad</i> <i>Whole time Director</i>	Sd/-
<i>Keyoor Bakshi</i> <i>Independent Director</i>	Sd/-
<i>Ganesan Kalyanaraman</i> <i>Independent Director</i>	Sd/-
<i>Kalpana Joshipura</i> <i>Independent Director</i>	Sd/-

Signed by

Sd/-

Sejal Desai
Company Secretary & Compliance Officer

Sd/-

Arvind Tambi
Chief Financial Officer

Place: Halol

Date: September 07, 2017

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED

Sr. No	Issue Name	Issue Size (Cr)	Issue Price (Rs.)	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.	Bohra Industries Limited	25.15	55	April 05, 2017	56.20	-0.82% (1.02%)	-6.36% (3.78%)	Not Applicable
2.	Creative Peripherals and Distribution Limited	13.50	75	April 12, 2017	83.25	72.67% (2.62%)	78.13% (6.42%)	Not Applicable
3.	Panache Digilife Limited	14.58	81	April 25, 2017	84.00	14.20% (0.58%)	26.73% (7.09%)	Not Applicable
4.	Zota Health Care Limited	58.50	125	May 10, 2017	140.40	6.64% (2.25%)	5.84% (6.91%)	Not Applicable
5.	Gautam Exim Limited	3.32	40	July 11, 2017	40.00	Not Applicable	Not Applicable	Not Applicable
6.	Bansal Multiflex Limited	6.2	31	July 12, 2017	34.00	Not Applicable	Not Applicable	Not Applicable
7.	Shrenik Limited	21.6	40	July 18, 2017	41.90	Not Applicable	Not Applicable	Not Applicable
8.	Jigar Cables Limited	5.59	30	July 28, 2017	33.15	Not Applicable	Not Applicable	Not Applicable
9.	Vaishali Pharma Limited	14.23	72	August 22, 2017	71.90	Not Applicable	Not Applicable	Not Applicable
10.	Lexus Granito (India) Limited	25.92	45	August 23, 2017	53.00	Not Applicable	Not Applicable	Not Applicable

Note:- Worth Peripherals Limited and R M Drip & Sprinklers Systems Limited has filed their Red Herring Prospectus with respective Registrar of Companies.

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:-

1. The BSE Sensex and CNX Nifty are considered as the Benchmark Index
2. Prices on BSE/NSE are considered for all of the above calculations
3. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered
4. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by the lead manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

Financial year	Total no. of IPO	Total funds raised (Rs. Cr)	Nos of IPOs trading at discount on 30 th Calendar day from listing date			Nos of IPOs trading at premium on 30 th Calendar day from listing date			Nos of IPOs trading at discount on 180 th Calendar day from listing date			Nos of IPOs trading at premium on 180 th Calendar day from listing date		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
15-16	***9	54.01	-	-	1	3	2	3	-	1	1	4	3	-
16-17	****24##	204.56	-	-	5	6	3	9	-	1	5	8	1	5
17-18	*****10\$\$	188.59	-	-	1	3	1	3	-	-	-	-	-	-

***The scripts of Filtra Consultants and Engineers Limited, Ambition Mica Limited, Jiya Eco Products Limited, M.D. Inducto Cast Limited, Majestic Research Services and Solutions Limited, Mangalam Seeds Limited, Sri Krishna Constructions (India) Limited, Patdiam Jewellery Limited and Vidli Restaurants Limited were listed on April 15, 2015, July 14, 2015, July 16, 2015, July 16, 2015, July 16, 2015, August 12, 2015, October 01, 2015, October 16, 2015 and February 15, 2016 respectively.

****The scripts Ruby Cables Limited, Sysco Industries Limited, Lancer Containers Lines Limited, Yash Chemex Limited, Titaanium Ten Enterprise Limited, Commercial Syn Bags Limited, Shiva Granito Export Limited, Sprayking Agro Equipment Limited, Narayani Steels Limited, Nandani Creation Limited, DRA Consultant Limited, Gretex Industries Limited, Sakar Health Care Limited, Bindal Exports Limited, Mewar Hi-Tech Engineering Limited, Shashijit Infraprojects Limited, Agro Phos (India) Limited, Majestic Research Services and Solutions Limited, Maheshwari Logistics Limited, Madhav Copper Limited, Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited were listed on April 13, 2016, April 13, 2016, April 13, 2016, June 20, 2016, July 14, 2016, July 14, 2016, September 06, 2016, September 14, 2016, September 14, 2016, October 10, 2016, October 13, 2016, October 14, 2016, October 14, 2016, October 17, 2016, October 17, 2016, October 17, 2016, November 16, 2016, December 14, 2016, January 16, 2017, February 06, 2017, March 28, 2017, March 28, 2017, March 31, 2017 and March 31, 2017 respectively.

##The Scripts of Chemcrux Enterprises Limited, Manomay Tex India Limited, Oceanic Foods Limited and Euro India Fresh Foods Limited have not completed 180 Days, 180 Days, 180 Days and 180 Days respectively from the date of listing.

*****The scripts Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited and Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited and Lexus Granito (India) Limited were listed on April 05, 2017, April 12, 2017, April 25, 2017, May 10, 2017, July 11, 2017, July 12, 2017, July 18, 2017, July 28, 2017, August 22, 2017 and August 23, 2017 respectively.

\$\$ The scripts of Bohra Industries Limited, Creative Peripherals and Distribution Limited, Panache Digilife Limited, Zota Health Care Limited, Gautam Exim Limited, Bansal Multiflex Limited, Shrenik Limited, Jigar Cables Limited, Vaishali Pharma Limited and Lexus Granito (India) Limited have not completed, 180 Days, 180 Days, 180 Days, 180 Days, 180 Days, 30 Days, 30 Days, 30 Days and 30 Days respectively from the date of listing.