DRAFT RED HERRING PROSPECTUS
Dated: June 30, 2018
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

MILLTEC
ISO 9001:2015 / ISO 14001:2015

MILLTEC MACHINERY LIMITED

Our Company was incorporated as MILLTEC Machinery Private Limited on August 28, 1998, at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to MILLTEC Machinery Limited on conversion to a public limited company, and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the Registrar of Companies, Karnataka at Bengaluru ("**RoC**"), to our Company on March 21, 2018. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters – Changes in Registered Office*" on page 174.

Registered and Corporate Office: #51/A, Phase I, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
Contact Person: Kavita Manta, Company Secretary and Compliance Officer
Tel: +91 80 2801 6633; **Fax**: +91 80 2783 1129
E-mail: investorrelations@milltecmachinery.com; **Website**: www.milltecmachinery.com
Corporate Identity Number: U85110KA1998PLC024139

OUR PROMOTERS: RAJENDRAN JOGHEE, RAVINDRANATH RAMAIAH, MANJULA RAJENDRAN, AND UMA RACHAPPA

INITIAL PUBLIC OFFERING OF UP TO 3,751,499 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF MILLTEC MACHINERY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING AN OFFER FOR SALE OF UP TO 1,677,596 EQUITY SHARES BY MULTIPLES PRIVATE EQUITY FUND I LIMITED, 573,304 EQUITY SHARES BY MULTIPLES PRIVATE EQUITY FUND, 606,125 EQUITY SHARES BY RAJENDRAN JOGHEE, 606,125 EQUITY SHARES BY RAVINDRANATH RAMAIAH, 144,175 EQUITY SHARES BY MANJULA RAJENDRAN, AND 144,174 EQUITY SHARES BY UMA RACHAPPA (THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 37.50% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

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

In case of any revision to the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate, and by intimation to Self Certified Syndicate Banks ("**SCSBs**"), Registered Brokers, RTAs, and CDPs.

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this is an Offer for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made through the Book Building Process in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 412.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs, as stated under "*Basis for Offer Price*" on page 105) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 20.

COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects, and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held, and that there are no other facts, the omission or inclusion 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. Further, the Selling Shareholders severally accept responsibility that this Draft Red Herring Prospectus contains all information about themselves as the Selling Shareholders in the context of the Offer for Sale, and further assume responsibility for statements in relation to themselves included in this Draft Red Herring Prospectus and the Equity Shares offered by them in the Offer, and that such statements are true and correct in all material respects and not misleading in any material respect. Further, the Selling Shareholders do not assume any responsibility for any other statements, including without limitation, any and all of the statements made by, or in relation to the Company in this Draft Red Herring Prospectus.

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid / Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 526.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
MOTILAL OSWAL Investment Banking	IIFL	LINKIntime
Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel S T Depot, Prabhadevi Mumbai – 400 025 Maharashtra, India Tel: +91 22 3846 5541 Fax: +91 22 3980 4315 E-mail: milltec.ipo@motilaloswal.com Investor Grievance E-mail: moiaplredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Keyur Desai / Kristina Dias SEBI Registration No.: INM000011005	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai - 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: milltec.ipo@iiflcap.com Investor Grievance e-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Nishita Mody / Anant Gupta SEBI Registration No.: INM000010940	**Link Intime India Private Limited** C-101, 247 Park L B S Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 E-mail: milltec.ipo@linkintime.co.in Investor Grievance e-mail: milltec.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID / OFFER PROGRAMME

BID / OFFER OPENS ON	[●][(1)]
BID / OFFER CLOSES ON	[●][(2)]

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

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

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, or policies shall be to such legislation, act, regulation, rules, guidelines, or policies, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

GENERAL TERMS

Term	Description
"our Company", "the Company" or "the Issuer"	MILLTEC Machinery Limited, a company incorporated under the Companies Act, 1956, and having its registered office at #51/A, Phase I, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiary, on a consolidated basis

COMPANY RELATED TERMS

Term	Description
Agri Power	Agri Power and Engineering Solutions Private Limited
Articles of Association	Articles of association of our Company, as amended
Auditors / Statutory Auditors	The statutory auditors of our Company, namely, Deloitte Haskins & Sells, Chartered Accountants
Board / Board of Directors	Board of directors of our Company, including a duly constituted committee thereof
Chennai Unit	The manufacturing facility of our Company located at #19/3, Erikkari Salai, Meppur Village, Nazarathpet, Poonamallee Taluk, Thiruvallur District, Chennai – 600 123, Tamil Nadu, India
Director(s)	Director(s) on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Directors	Executive Directors of our Company
Group Company	The entities covered under the applicable accounting standards, being AS 24 (as identified under the Restated Consolidated Financial Information) and as considered material by our Board, namely Agri Power. For details, see "*Our Group Company*" on page 202
Independent Director(s)	Independent directors on the Board of Directors. For details, see "*Our Management – Board of Directors*" on page 183
Investor Selling Shareholders	Multiples India and Multiples Mauritius
Jigani Unit	The manufacturing facility of our Company located at #325-D, BJLR Industrial Area, Jigani, Bengaluru – 562 106, Karnataka, India
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013, and as disclosed in "*Our Management – Key Management Personnel*" on page 196
KIADB I Unit	The manufacturing facility of our Company located at #51-A, I Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
KIADB II Unit	The manufacturing facility of our Company located at #235-R, III Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
Multiples India Share Purchase Agreement	Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples India, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani
Multiples Mauritius Share Purchase Agreement	Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples Mauritius, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
MIPL	Milltec Industries (Bangalore) Private Limited
MOPL	Milltec Outsourcing Private Limited
MS Sorters	M S Sorters Private Limited

Term	Description
Multiples India	Multiples Private Equity Fund
Multiples Mauritius	Multiples Private Equity Fund I Limited
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 198
Promoters	The promoters of our Company, namely, Rajendran Joghee, Ravindranath Ramaiah, Manjula Rajendran, and Uma Rachappa. For details, see "*Our Promoters and Promoter Group*" on page 198
Promoter Selling Shareholders	Rajendran Joghee, Ravindranath Ramaiah, Manjula Rajendran, and Uma Rachappa
Registered Office and Corporate Office	The registered and corporate office of our Company, located at #51/A, Phase I, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
Registrar of Companies / RoC	The Registrar of Companies, Karnataka, at Bengaluru located at 'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru –560034, Karnataka, India
Selling Shareholders	Investor Selling Shareholders and Promoter Selling Shareholders
Shareholder(s)	Shareholder(s) of our Company from time to time
Subsidiary	M S Sorters Private Limited, having its registered office at #235R, 3rd Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India
Sunshine	Sunshine, a proprietary concern
Wholetime Director	Wholetime director of our Company

OFFER RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor	A QIB, applying under the Anchor Investor Portion and in accordance with the requirements specified in the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid / Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and Selling Shareholders in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid / Offer Period	The day, one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company and Selling Shareholders in consultation with the BRLMs to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in

Term	Description
	accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Escrow Collection Bank(s), Public Offer Bank(s) and Refund Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 412
Bid(s)	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid / Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, Kannada being the regional language of the state where the Registered and Corporate Office is located, and in the case of any revision, the extended Bid / Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid / Offer Period for the QIB Category one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid / Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, Kannada being the regional language of Karnataka, where the Registered and Corporate Office is located, each with wide circulation, and in the case of any revision, the extended Bid / Offer Opening Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations
Bid / Offer Period	Except in relation to Anchor Investors, the period between the Bid / Offer Opening Date and the Bid / Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus, and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Motilal and IIFL
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA

Term	Description
	Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI, and who is eligible to procure Bids at the Designated CDP Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting RTA	A registrar to an issue and share transfer agent as defined under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 registered with SEBI and who is eligible to procure Bids at the Designated Collecting RTA Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. SEBI and a list of such locations is available on the website of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively
CRISIL	CRISIL Research, a division of CRISIL Limited
CRISIL Report	The report titled *"CRISIL Research on Customised study for DRHP of Milltec May 2018*" published by CRISIL
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation and bank account details
Depository	A depository registered with SEBI under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI, at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which instructions are given to the Escrow Collection Bank(s) to transfer funds from Anchor Escrow Account(s) and SCSBs to unblock the ASBA Accounts and transfer the amounts blocked in the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the Prospectus
Designated Intermediaries	Syndicate, sub-syndicate members / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites

Term	Description
	of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 30, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an Issue / invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer, and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) in which Anchor Investors will deposit the Bid Amount
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank, the Public Issue Bank and the Refund Bank for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Anchor Escrow Account will be opened, in this case being [●]
First Bidder	Bidder whose name is mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
General Information Document / GID	The General Information Document prepared and issued in accordance with the Circular #CIR/CFD/DIL/12/2013, dated October 23, 2013 notified by SEBI, and updated pursuant to, *inter alia*, Circular #CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26, dated January 21, 2016, notified by SEBI and suitably modified to include legislative and regulatory updates, and included in "*Offer Procedure*" on page 412
IIFL	IIFL Holdings Limited
Insurance Companies	Any company registered with Insurance Regulatory and Development Authority as an insurance company
Listing Agreement	The listing agreement to be entered into by our Company with the Stock Exchanges
Members of the Syndicate	The BRLMs and the Syndicate Member(s)
Motilal	Motilal Oswal Investment Advisors Limited
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 37,515 Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid bids received at, or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net QIB Portion	The portion of the QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 562,724 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes an NRIs, FIIs, FPIs and FVCIs
Non-Syndicate Registered Broker	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers Regulations), 1992, having office in any of the Broker Centres, and eligible to procure Bids in terms of the Circular #CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Offer	The initial public offering of up to 3,751,499 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating up to ₹[●] million The Offer will constitute 37.50% of our

Term	Description
	post-Offer paid-up Equity Share capital
Offer Agreement	The agreement dated June 28, 2018, executed among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 3,751,499 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with BRLMs, on the Pricing Date, in accordance with the Book Building Process and this Draft Red Herring Prospectus
Offer Proceeds	The proceeds of this Offer that will be available only to the Selling Shareholders For details, see "*Objects of the Offer*" on page 104
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised, at least five Working Days prior to the Bid / Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Kannada newspapers, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located). It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC, on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account Bank	The Banker(s) to the Offer with whom the Public Offer Account(s) shall be maintained, in this case being [●]
Public Offer Account(s)	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category / QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer or 1,875,750 Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at our above the Offer Price
Qualified Institutional Buyer(s) or QIBs or QIB Bidders	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	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 / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with which the Refund Account(s) will be opened, in this case being [●]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through NACH, Direct Credit, NEFT or RTGS, as applicable

Term	Description
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members who are eligible to procure Bids in terms of Circular #CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Registrar agreement dated June 27, 2018, amongst our Company, the Selling Shareholders and the Registrar to the Offer
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Restated Consolidated Financial Information	Restated consolidated statement of assets and liabilities of our Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, and the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows of our Company, for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, the significant accounting policies, and the related annexures included in the section "*Financial Statements*" on page 207
Restated Financial Information	Together, the Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	Restated standalone statement of assets and liabilities of our Company as at March 31, 2018. March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, and the restated standalone statement of profit and loss and the restated standalone statement of cash flows of our Company, for each of the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, the significant accounting policies, and the related annexures included in the section "*Financial Statements*" on page 207
Retail Discount	Our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to offer a discount of [●]% to the Floor Price, i.e. ₹[●] to Retail Individual Investors and which shall be announced at least five Working Days prior to the Bid/ Issue Opening Date
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) / RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 1,313,025 Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form(s)	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid / Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, and updated from time to time
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company, the BRLMs, and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Form, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sub-Syndicate Member	A SEBI Registered member of BSE and/ or NSE appointed by the BRLMs and / or Syndicate Member(s) to act as a Sub Syndicate Member in the Issue
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate ASBA Centres	Bidding Centres where an ASBA Bidder can submit his ASBA Form to the Syndicate Member and prescribed by SEBI from time to time

Term	Description
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Transaction Registration Slip/ TRS	The slip or document issued by Designated Intermediary (SCSB to issue TRS only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriter(s)	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus with the RoC
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (c) with reference to the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL / INDUSTRY RELATED TERMS / ABBREVIATIONS

Term	Description
AAY	Antyodaya Anna Yojana, a scheme sponsored by the Government of India with the aim of providing food grains at highly subsidised rates to families identified as being from the 'poorest of the poor' category
APEDA	Agriculture and Processed Food Products Export Development Authority, United States Department of Agriculture
BPL	Below poverty line
CAD	Current account deficit
CFTRI	Central Food Technological Research Institute, Mysuru
CMR	Custom milling rice
CNC	Computer numerically controlled
CPI	Consumer price index
CY	Crop year
FCI	Food Corporation of India
GFCE	Government final consumption expenditure
IMD	Indian Meteorological Department
IPAB	Intellectual Property Appellate Board
MIS	Management information system
MSP	Minimum support price
MT	Metric tonne
MY	Marketing year
NFSM	National Food Security Mission
NSSO	National Sample Survey Office
OEM	Original equipment manufacturer
PDS	Public distribution system
PFCE	Private final consumption expenditure
RoCE	Return on capital employed
RoE	Return on equity
SAP	Systems, applications, and products in data processing
SME	Small and medium enterprises
SRR	Seed replacement rate
TPD	Tonnes per day
TPH	Tonnes per hour
USDA	United States Department of Agriculture
US Fed	Federal Reserve System of the United States of America
WPI	Wholesale price index

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards notified under Section 133 of the Companies Act, 2013
AY	Assessment year
BPLR	Bank prime lending rate
BG	Bank guarantee
BR	Base rate
BSE	BSE Limited
Bn/ bn	Billion
CAGR	Compounded annual growth rate
CC	Cash credit
CCI	Competition Commission of India
CIN	Corporate identity number
CIT	Commissioner of Income Tax
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services Limited
CGST	The Central Goods and Services Tax Act, 2017
CIN	Corporate identity number
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	Consolidated FDI Policy, effective from August 28, 2017, issued by the DIPP including any modifications thereto or substitutions thereof
CPC	Civil Procedure Code, 1908
CSR	Corporate social responsibility
CST	Central sales tax
CST Act	Central Sales Tax Act, 1956
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings Per Share
ESOP	Employee stock option plan
EUR	Euro
FCNR Account	Foreign currency non-resident account
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FG	Finished goods
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2 of the FEMA Regulations
Finance Act	Chapter V of the Finance Act, 1994

Term	Description
Financial Year / Fiscal(s) / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FLC	Foreign letter of credit
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2A of the FEMA Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GoI, Government of India, Central Government	Government of India
GST	Goods and services tax
GVA	Gross value added
HNI	High net-worth Individual
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IGST	The Integrated Goods and Services Tax Act, 2017
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISO	International Organisation for Standardisation
I.T. Act	Income Tax Act, 1961
LER	Loan equivalent risk
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
LOC	Letters of credit
LOU	Letter of undertaking
LLP Act	The Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mn / mn	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NAV	Net Asset Value
NBFC	Non-banking financial company registered with the RBI
NCR	National capital region
NECS	National electronic clearing services
NEFT	National electronic fund transfer
Net Worth	Net worth (excluding revaluation reserve, capital reserve arising from amalgamation, where applicable), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated
NOC	No objection certificate
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NCLT	National Company Law Tribunal
NR	Non-resident
NRE Account	Non-resident external account
NRI	A person resident outside India who is a citizen of India, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, or is an 'overseas citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident Ordinary Account
NSDL	National Securities Depository Limited

Term	Description
NSE	National Stock Exchange of India Limited
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P / E Ratio	Price / Earnings Ratio
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit before tax
PIO	Persons of Indian origin
PLR	Prime lending rate
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on Net Worth
R&D	Research and development
RTGS	Real Time Gross Settlement
Rupees/ INR	Indian Rupees
SAR	Stock appreciation rights
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U. S. Securities Act of 1933, as amended
Service Tax Rules	Service Tax Rules, 1994
SIA	Secretariat of Industrial Assistance, Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, Government of India
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SPV	Special Purpose Vehicle
Sq. ft.	Square feet
Sq. m.	Square metre
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(zla) as a non-banking financial company registered with the RBI and having a net-worth of more than ₹5000 million as per the last audited financial statements
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction and collection account number
UK	United Kingdom
U.S. / USA / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the USA
USD	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF

Term	Description
	Regulations or the SEBI AIF Regulations, as the case may be
WIP	Work in progress

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

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Financial Statements*", "*Summary of Industry*", "*Industry Overview*", "*Main Provisions of Articles of Association*" and "*Offer Procedure – General Information Document*" on pages 108, 207, 47, 110, 453 and 423, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Draft Red Herring Prospectus, unless otherwise specified.

Unless stated otherwise, the meanings ascribed to the terms defined under the "*Glossary and Abbreviations – Part B – General Information Document*" under "*Offer Procedure*" on page 449, shall only be in respect of such terms used in "*Part B - General Information Document*".

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

CERTAIN CONVENTIONS

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

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Information, prepared in accordance with the Companies Act, 2013 and Indian GAAP and Ind AS, as the case may be, and restated in accordance with the SEBI ICDR Regulations. For further information, see "*Financial Information*" on page 207. Certain other additional financial information pertaining to our Group Company are derived from their respective audited financial statements.

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 numerical figures in decimals have been rounded off to the second decimal, and all percentage numbers have been rounded off to two places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, unless stated otherwise, references to all financial figures and financial ratios in this Draft Red Herring Prospectus have been derived from the Restated Consolidated Financial Information. However, figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

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

The Government of India has adopted the Ind AS which is converged with the International Financing Reporting Standards of the IFRS under the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**IAS Rules**"). In terms of (i) the IAS Rules, our Company is required to prepare its statutory financial statements under the Companies Act, 2013, in accordance with Ind AS for periods beginning on or after April 1, 2016, and (ii) the SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "**SEBI Ind AS Transition Circular**"), for the purposes of disclosure in this Draft Red Herring Prospectus, our Company is required to prepare and present its restated standalone and consolidated financial information for the last three Fiscals (in this case, for Fiscal 2018, Fiscal 2017, and Fiscal 2016) in accordance with Ind AS as the base and the Companies Act, 2013, and then restated in accordance with the SEBI ICDR Regulations, and present its restated standalone and consolidated financial information for the earliest two Fiscals (in this case, Fiscal 2015 and Fiscal 2014) in accordance with the previously applicable Indian GAAP as base, and the Companies Act, 2013, and then restated in accordance with the SEBI ICDR Regulations.

While for statutory reporting purposes, we have adopted Ind AS from April 1, 2016, we have prepared our Restated Standalone Financial Information and Restated Consolidated Financial Information for: (i) Fiscal 2018, Fiscal 2017, and Fiscal 2016 in accordance with Ind AS as the base and the Companies Act, 2013, and then restated in accordance with the SEBI ICDR Regulations, and (ii) Fiscal 2015 and Fiscal 2014 in accordance with Indian GAAP as the base and the Companies Act, 2013, and then restated in accordance with the SEBI ICDR Regulations. The Restated Financial Information have been presented in accordance with the SEBI Ind AS Transition Circular, the Companies Act, 2013, and restated in accordance with the SEBI ICDR Regulations.

India has adopted the accounting standards converged or synchronised with IFRS, and not adopted the IFRS. Ind AS, therefore, differs in certain significant respects from IFRS and other accounting principles and standards which investors may be more familiar. For details in connection with risks involving differences between Indian GAAP and IFRS and risks in relation to Ind AS, see *Risk Factors – 55. Significant differences exist between Ind AS and Indian GAAP and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows*" on page 41. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, Ind AS, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 20, 155, and 363, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information prepared in accordance with Indian GAAP and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

CURRENCY AND UNITS OF PRESENTATION

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

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

EXCHANGE RATES

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the USD, and the Rupee and the Swiss Franc:

Currency	**As on March 31, 2018 (₹)[1]**	**As on March 31, 2017 (₹)[1]**	**As on March 31, 2016 (₹)[1]**	**As on March 31, 2015 (₹)[1]**	**As on March 31, 2014 (₹)[1]**
1 USD	65.04	64.84	66.33	62.59	60.10
1 Swiss Franc	68.21	64.59	68.93	64.21	67.78

(Source for 1 USD: https://rbi.org.in)
(Source for 1 Swiss Franc: www.six-swiss-exchange.com)
[1]In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

LAND AND UNITS OF PRESENTATION

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

INDUSTRY AND MARKET DATA

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

Information has been included in this Draft Red Herring Prospectus based on a report published by CRISIL Research – A division of CRISIL Limited, titled "*CRISIL Research on Customised study for DRHP of Milltec May 2018*" ("**CRISIL Report**") commissioned by us, as well as publicly available documents and information, including, but not restricted to materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the CRISIL Report, see "*Risk Factors – 52. Third party statistical and financial data in this Draft Red Herring Prospectus may be incomplete and unreliable*" on page 40.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 20. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for the Offer Price*" on page 105 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

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

FORWARD-LOOKING STATEMENTS

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

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

- Our dependence on our sale of rice milling equipment for a significant portion of our revenue.
- Changes or slowdown in the agricultural sector.
- Our failure to successfully identify customer requirements and preferences, and gain consumer acceptance for our products.
- Our inability to sustain or manage our growth.
- Seasonal nature of the agricultural sector.
- Our inability to successfully implement our strategies.
- Any adverse impact on the "MILLTEC" brand.
- Any adverse outcome in the legal proceedings in which our Company or our Promoters are parties.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 155, and 363, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the Selling Shareholders, the BRLMs, nor any of their respective affiliates have any obligation to update, or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Selling Shareholders shall severally ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by it in this Draft Red Herring Prospectus, until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

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

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

In making an investment decision, prospective investors must rely on their own examination of us on a consolidated and standalone basis and the terms of the Offer including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations" on pages 155 and 363, respectively. If our business, results of operations or financial condition suffer, the price of our Equity Shares and the value of your investments in the Equity Shares could decline. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated or the context otherwise requires, financial information of our Company used in this section has been derived from our Restated Consolidated Financial Information.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 110.

INTERNAL RISK FACTORS

Risks Relating to Our Business

1. ***Our Promoters, Rajendran Joghee and Ravindranath Ramaiah are parties to a criminal proceeding. Any adverse outcome in this criminal proceeding may adversely affect our profitability and reputation and may have a material adverse effect on our financial condition and results of operation.***

   Our Promoters, Rajendran Joghee and Ravindranath Ramaiah are parties to a criminal proceeding. The criminal complaint has been lodged with the Additional Civil Judge and Judicial Magistrate First Class, Anekal at Bengaluru ("**Anekal JMFC**") on November 2, 2012. The brief facts of the case are that G Chandrashekar, a former employee of our Company, registered a first information report on January 8, 2011, with the Hebbagodi Police Station against our Promoters, Rajendran Joghee and Ravindranath Ramaiah, among other persons (together the "**Accused**", and such first information report, the "**FIR**"). In the FIR, Chandrashekar had, *inter alia*, alleged that the Accused, with common intention, had undertaken various actions to intimidate and kidnap Chandrashekar. Accordingly, the FIR was registered by the Accused, alleging the commission of offences under Section 363, Section 242, and Section 506, read with Section 34 of the Indian Penal Code, 1860. The Anekal JMFC discharged the Accused on December 20, 2012. Subsequently, on August 16, 2013, Chandrashekar approached the Anekal JMFC seeking an opportunity to file a protest petition, which was allowed. However, there has been no progress in the matter since, and the matter is pending. For details, see "*Outstanding Litigation and Material Developments – Litigation Involving our Promoters – Outstanding criminal proceedings involving our Promoters*" on page 388.

   We cannot assure you that the abovementioned proceeding will be decided in favour of our Promoters, Rajendran Joghee and Ravindranath Ramaiah, or that no further liability will arise out of this proceeding. Further, such proceeding could divert management time, and attention and consume financial resources.

Any adverse outcome in this proceeding may adversely affect our profitability and reputation and may have a material adverse effect on our financial condition and results of operations.

2. ***Ravindranath Ramaiah, one of our Promoters, is party to a writ proceeding pending before the High Court of Karnataka which challenges his disqualification as a director under Section 164(2)(a) of the Companies Act, 2013. Any adverse outcome in this writ proceedings may have an adverse effect on our business and results of operation.***

Ravindranath Ramaiah, one of our Promoters, has filed a writ petition against the Union of India (represented by the Ministry of Corporate Affairs) and the Registrar of Companies, Karnataka at Bengaluru (the "**Respondents**", and such writ petition, the "**Writ Petition**") challenging the disqualification of his directorship under Section 164(2)(a) of the Companies Act, 2013. The facts of the case are that the name of Ravindranath Ramaiah was published in a list of disqualified directors, released by the Ministry of Corporate Affairs on September 19, 2017. Ravindranath Ramaiah, who is a sitting director on the board of directors of Ecotech Machinery Private Limited ("**Ecotech**"), was included in the abovementioned list because of Ecotech's failure to file annual returns and financial statements for three continuous financial years. Subsequent to the publication of the abovementioned list, the Ministry of Corporate Affairs released the Condonation of Delay Scheme, 2018 ("**Scheme**"), to allow defaulting companies to regularise certain filings by complying with the requirements set out under the Scheme. Ecotech thus approached the National Company Law Tribunal, Bengaluru Bench, to avail the benefit of the Scheme. The National Company Law Tribunal, by way of an order dated April 18, 2018, directed the restoration of Ecotech, and called upon it to file relevant annual returns and financial statements with the Registrar of Companies within 30 days from the date of its restoration. Upon restoration, Ecotech carried out filings of its annual returns and financial statements in accordance with the provisions of the Companies Act, 2013. In the interim, Ravindranath Ramaiah approached the High Court of Karnataka by way of the Writ Petition challenging the action of the Ministry of Corporate Affairs disqualifying him as a director. By way of an order dated June 4, 2018, the High Court of Karnataka issued an interim stay on the disqualification of Ravindranath Ramaiah's directorship. For details, see "*Outstanding Litigation and Material Developments – Outstanding litigation involving our Promoters in accordance with the Materiality Policy*" on page 388.

In accordance with the terms of the Scheme and the order passed by the National Company Law Tribunal, if Ecotech fails to file its returns in a timely manner, or at all, or if the High Court revokes the stay on the disqualification of Ravindranath Ramaiah's directorship prior to completion of filing of relevant returns by Ecotech, the disqualification of Ravindranath Ramaiah's directorship may stand reinstated. In such an event, Ravindranath Ramaiah's ability to continue as a Director of our Company may stand impeded, which could have an adverse effect on our business and results of operation.

3. ***A significant portion of our revenue is generated from our sales of rice milling equipment. The loss of customers who purchase our rice milling equipment, or a significant reduction in the production and sales of, or demand for rice milling equipment may adversely affect our business, financial condition, results of operations and prospects.***

We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report). While our product portfolio includes the manufacture and installation of rice milling, pulses milling, seeds processing, wheat processing and maize processing equipment, a significant portion of our revenue is generated from our sales of rice milling equipment. Our revenue from sale of rice milling equipment accounted for ₹1,200.13 million, ₹1,110.77 million, and ₹915.31 million, of our total income for Fiscal 2018, Fiscal 2017 and Fiscal 2016 respectively.

The revenue from the sale of rice milling equipment continues to account for a major portion of our revenue. A decrease in the demand for rice milling equipment could adversely impact our business, results of operations, and financial condition. Our dependence on the revenue generated from the sale of rice milling equipment has decreased over the years as we continue to undertake various marketing initiatives and activities to promote the sale of equipment used for activities such as colour sorting, pulses milling, wheat processing, maize processing and seed processing.

It is difficult to forecast the success or sustainability of any strategies undertaken by millers who purchase rice milling equipment in response to the current economic or industry environment. A sustained decline in the production or demand for rice could prompt millers to cut their sales volumes, directly affecting the demand of rice milling equipment

4. ***Our business and financial conditions may be adversely impacted by changes or slowdown in the agricultural sector.***

Demand for most of our products is directly related to the sale of grains such as rice, pulses, seeds and maize by millers, and the average age of the equipment deployed / rate of demand for replacement of the equipment by millers. Sales may be affected by a prolonged spell of drought or flood, general economic or industry conditions, including evolving regulatory requirements, government initiatives, trade agreements, and other factors. Therefore, the significant reduction in production of, or demand for grains could lead to cancellation of orders or loss of business and consequently reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business and results of operations.

The Union Budget 2018 aims to strengthen the Indian agriculture sector and has outlined a slew of measures to boost agricultural production. The Government has reemphasized its commitment to the agriculture sector by announcing several measures that will, *inter alia*, contribute towards doubling farmer income by 2022. In addition, promotion of agricultural commodities could increase our revenues significantly as our demand is directly linked to demand for agricultural commodities. However, we cannot assure you that these measures will be implemented appropriately by the current Government or will continue to be implemented by future Governments depending on the outcome of State Government and Central Government elections.

If these measures are withdrawn, or if we are unable to adequately anticipate and respond to changing conditions affecting the agriculture sector, our operations, our business, financial condition, results of operations and prospects may be adversely affected.

5. ***Our operations are significantly dependent on our ability to successfully identify consumer requirements and preferences, and gain consumer acceptance for our products. If we are unable to successfully identify consumer requirements and preferences for our products, our business may suffer.***

We operate in the agricultural processing industry, which is susceptible to changing consumer preferences, and our operations are significantly dependent on our ability to successfully identify consumer requirements. For instance, to expand our pool of target customers and deepen our relationship with existing customers, we introduced colour sorters and parboiling equipment. Further, we have developed silica extraction plants and co-generation plants which are currently in the pilot phase of deployment at customer locations. The equipment for the extraction plants are indigenously designed and manufactured at our facilities as per specific requirements shared by our customers. Any shift in consumer preferences from our products to that of our competitors may have a material adverse effect on the business prospects, results of operations, cash flows, and financial conditions of our business.

Further, if we are unable to successfully anticipate consumer requirements and preferences and gain consumer acceptance for our products or are unable to modify our current portfolio of products or develop new products, in a timely manner, it may have an adverse effect on our business prospects, results of operations, cash flows and financial condition. Our inability to meet consumer requirements and preferences may lead to customer dissatisfaction and loss of business. A decline in demand for our products, including, on account of the quality of our products or an error in our forecasts for future demand, among other things, could lower our sales and may require us to sell our products at substantially marked-down prices.

6. ***Our Statutory Auditor has included a matter of emphasis in their auditor's report.***

Our Statutory Auditor has, in their report for the Financial Year ended March 31, 2018, included a matter of emphasis to indicate that our Subsidiary, MS Sorters, had incurred a net loss of ₹4.86 million during the financial year ended March 31, 2018, and as of that date, the current liabilities of our Subsidiary exceeded the value of its current assets by ₹54.80 million. The existence of the abovementioned matter of emphasis, along with other matters, may cast significant doubt about our Subsidiary's ability to continue to function as a going concern. The matter of emphasis may also contribute to the concern that our Subsidiary may be unable to realise its assets or discharge its liabilities in the ordinary course of its business. For details, see "*History and Certain Corporate Matters – Our Subsidiary*" on page 177.

Investors should consider the matter of emphasis detailed above in evaluating our financial position, cash, flows, and results of operations.

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

As per our Restated Consolidated Financial Information, our revenue from operations for Fiscal 2016 and Fiscal 2018 was ₹1,844.68 million and ₹2,661.39 million, respectively, representing a CAGR of 20.11%. Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have sold over 21,980 grain processing equipment across our customer facilities. We have also established a pan-India presence.

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

8. ***The agriculture sector is seasonal in nature. We experience the effects of seasonality, which may result in our operating results fluctuating significantly and also, reduce our sales.***

Our sales could be affected due to seasonal trends in the agriculture sector. In particular, the agriculture sector is inherently seasonal, and is further impacted by factors including agricultural commodity prices, costs of fertilizers, and adverse weather conditions. Most of our revenue is generated by the sale of our milling equipment, prior to the commencement of the Kharif and Rabi cropping seasons in July and October, respectively. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter and declines in demand during our peak seasonal periods could materially and adversely affect our business, financial condition, or results of operations. Further, any change in weather conditions, including the occurrence of drought conditions, could adversely affect our business, financial condition, results of operations, and prospects.

9. ***We may not be successful in implementing our strategies, such as expansion of our product portfolio and enhancing innovation and design capabilities, which could adversely affect our business, results of operations and future prospects.***

The success of our business depends largely on our ability to effectively implement our business and strategies. For details, see "*Our Business – Our Strategies*" on page 159. Even if we have successfully executed our business strategies in the past, there can be no assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. We expect our strategies to place significant demands on our management, and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to effectively manage our business and strategies could have an adverse effect on our business, financial condition, and profitability.

Our strategy of expanding our product portfolio and diversification into new product offerings involves understanding different product specifications, technology and other factors, which we may currently be unfamiliar with. Further, change in the product mix manufactured by us may lead to an increase in costs on account of cost of raw materials that may be higher than those required for our existing products.

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

10. ***Any adverse impact on the "MILLTEC" brand may affect our reputation, business, financial condition and results of operations. Further, we depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base.***

Our business is largely dependent on the brand name "MILLTEC", which has over the years helped us in building brand equity and customer loyalty. The trademark for the brand name "MILLTEC" was registered in the name of our Company on January 3, 2002 under class 30, and on July 18, 2006, under class 29 and class 31. For details, see "*Our Business – Intellectual Property*" on page 167. We depend on our brand recognition, and a failure to maintain and enhance awareness of our brand could adversely affect our ability to retain and expand our customer base. Maintaining and enhancing our brand image may require us to undertake significant expenditures and make investments in areas such as research and development, advertising and marketing, through media and other channels of publicity. If our initiatives in any of these areas are not effectively implemented, or our products fail to find acceptance with our existing and potential customers resulting in loss of customer confidence in our brand for any reason, our ability to attract and retain customers could be adversely affected.

If we are unable to maintain and continue to take steps to further enhance our brand recognition and increase market awareness for our products, our ability to attract and retain customers may be affected and our business prospects may be materially and adversely affected. Any negative publicity or customer disputes and complaints regarding the brand, may harm the value of our "MILLTEC" brand, as well as our business, revenue and growth prospects.

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

Our operations are subject to central, state, and local laws and regulations relating to the protection of the environment and occupational health and safety, including those governing the generation, handling, storage, use, management, transportation and disposal of, or exposure to, environmental pollutants or hazardous materials resulting from our manufacturing processes.

We require certain approvals, licenses, registrations, and permissions for operating our business, some of which may have expired, and for which we have made applications for obtaining renewals. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Factories Act, 1948 in order to establish and operate our manufacturing facilities in India. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If we fail to comply, or a regulator claims that we have not complied with these conditions, our business, prospects, financial condition, and results of operations may be adversely affected. For details, see "*Government and Other Approvals*" on page 389.

As on the date of this Draft Red Herring Prospectus, we have not made applications for, nor have we obtained the consent to handle hazardous wastes at our Chennai Unit under the provisions of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. Further, we have not made applications for, nor have we obtained consents under the provisions of the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, to operate our Chennai Unit. This apart we have not obtained a no objection certificate from the Karnataka State Fire and Emergency Services Department, under the provisions of the Karnataka Fire Services Act, 1964, to operate KIADB Unit I and KIADB Unit II. For details, see "*Government and Other Approvals*" on page 389. Our failure to obtain such approvals may subject us to penal action through fines and penalties, including the potential loss of business licenses, and suspension or cessation of operations of our offices. The occurrence of such events may materially and adversely affect our business and results of operations.

Environmental and occupational health and safety laws and regulations, and the interpretation and enforcement thereof, are subject to change and have tend to become stricter over time, in India and internationally. While we are not aware of any outstanding material claims or obligations, we may incur substantial costs, including clean up or remediation costs, fines and civil or criminal sanctions, and third-party property damage or personal injury claims, as a result of violations of, or liabilities under environmental or health and safety laws, or noncompliance with permits required at our facilities, which, as a result, may have an adverse effect on our business and financial condition.

12. ***Our manufacturing facilities are concentrated in India's southern region. This may adversely affect our ability to supply our products to other regions in a timely manner.***

We have four manufacturing facilities as on the date of this Draft Red Herring Prospectus. Of these manufacturing facilities, three are located in the State of Karnataka, India, and one is located in the State of Tamil Nadu, India. As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. Owing to the concentration of our manufacturing facilities in a particular geographical belt, we may not be able to meet the equipment procurement requirements of such customers who are located in distant locations. Therefore, we heavily rely on our distribution and sales network, as well as our logistics partners, to liaise with, and ensure timely delivery of our products to our customers. Any failure or breakdown of our sales network can heavily impact timely delivery of our products to our customers, and significantly narrow down our sales in other geographical belts. This apart, while shipping charges are paid by our customers, our business remains susceptible to unreasonable shipment charges imposed by our logistics partners, and the absence of logistics partners who can fulfil last mile delivery of our products. Accordingly, any failure by our logistics partners in meeting our business requirements for reasons within, or beyond their control, could impair our reputation, thereby adversely affecting our business, financial condition, and results of operations.

In addition to the above, in the event of any regional disturbances or other events affecting either the States of Karnataka or Tamil Nadu, our activities, and a substantial percentage of our facilities could be disrupted, thereby adversely affecting our business. Accordingly, any of the foregoing factors could undermine our expansion of facilities and hamper our growth and could adversely affect our business, financial condition and results of operations.

13. ***We are significantly dependent on two of our Promoters, Rajendran Joghee and Ravindranath Ramaiah, and a loss of their services could adversely affect our business and results of operations.***

The growth of our business and legacy has been, and is significantly dependent on two of our Promoters, Rajendran Joghee and Ravindranath Ramaiah, each of whom are technocrats with over 25 years of professional experience in the agriculture processing industry. Our Promoters Rajendran Joghee and Ravindranath Ramaiah have brought to our Company vision and management, which we believe has been instrumental to our success. For details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 185. Our brand recall has, *inter alia*, been built on the quality of rice milling equipment delivered to our customers at cost effective price points. The equipment has been designed, developed and marketed by the company under the guidance of our Promoters, Rajendran Joghee and Ravindranath Ramaiah. For further details, see "*Our Business – Our Competitive Strengths*" on page 156.

Apart from our reliance on Rajendran Joghee and Ravindranath Ramaiah for their expertise in the grain processing industry, we are also significantly dependent on them for setting our strategic direction and managing our business affairs. Accordingly, if Rajendran Joghee and Ravindranath Ramaiah are unable, or unwilling to be associated with us, our business and prospects could be severely impaired, and it would be difficult for us to find a suitable replacement. This apart, Rajendran Joghee's and Ravindranath Ramaiah's disassociation from the brand "MILLTEC" could have an adverse impact on our future performance and results of operations.

14. ***We rely on a robust after-sales service network to redress customer grievances. Non-performance or underperformance of our after-sales service network could significantly harm our reputation.***

Our products are preferred among millers in India due to their quality and efficiency, and our after-sales service capabilities. This apart, our unique value for money proposition gives us a competitive edge (*Source*: CRISIL Report). Our distribution and sales network is also backed by an after-sales service team of 111 employees who provide our customers with access to maintenance services and spare parts, and respond to a majority of customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers. We have also placed emphasis on our need to retain a robust customer service team to redress customer grievances.

We cannot assure you that our customer service team will continue to have a consistent rate of good performance. Further, if we are unable to resolve customer grievances in an adequate or timely manner, or if we are unable to retain a good customer service team, it could have an adverse effect on our business, results of operations, and financial condition, and damage our reputation and relationships with our customers. This could also cause a reputational harm to us in the industry, leading to a lesser sale of our products.

15. ***Our Promoters, Rajendran Joghee and Ravindranath Ramaiah, have interests in entities which are in the same line of business as that of our Company.***

Our Promoters, Rajendran Joghee and Ravindranath Ramaiah, and some of our principal shareholders together own all the shares, and control Agri Power, our Group Company. Our Promoters and principal shareholders may devote substantial time and resources to develop and grow the business of Agri Power. None of our Promoters have undertaken not to compete with our business. If our Promoters decide to let Agri Power, or any other affiliates, instead of us, pursue business opportunities, or cause Agri Power, or any other affiliates, or us to undertake corporate strategies, the effect of which is to benefit Agri Power, or any other affiliates instead of us, our business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, our Promoters, who are also part of our management, would have to divide their time and energy between Agri Power, or any other affiliates and our operations. As a result, our management may not be solely focused on our business and may be distracted by, or have conflicts as a result of the demands of Agri Power, or any other affiliates, which may materially and adversely affect our business, results of operations and financial condition

16. ***Our customers may default on their payment obligations to us, which would have an adverse effect on our results of operations.***

Our profitability depends on timely receipt of payments from our customers for our products. Though we follow strict payment policies of receiving complete payment and shipping charges before shipping our products, there can be no assurance that there would be no default in payments by our customers of the amount payable to us as per relevant order acceptances. As of March 31, 2018, 83.62% of our receivables were backed by letters of credit and bank guarantees issued by our customers, and 13.49% of our receivables were in the form of post-dated cheques issued by our customers. Despite this, any default by our customers in meeting their payment obligations will reduce our cash flows. In the past we have had instances where post-dated cheques issued by our customers in our favour, have bounced. There can be no assurance that if any of our customers default in their payment obligations to us in the future, we will be able to recover the due payments in full or in a timely manner. Failure on the part of our customers to fulfil their payment obligations would have an adverse effect on our revenues, ability to service our debt, business, financial condition and results of operations.

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

We have had instances of certain non-compliances in the past, in relation to our failure to comply with the provisions of the Companies Act, 1956, and the Companies Act, 2013. For instance, (i) our Company had failed to seek prior approval of the central government before entering into agreements with MIPL and MS Sorters, and (ii) our Company had failed to hold the annual general meeting within the stipulated time for the Fiscal 2014. In respect of these abovementioned non-compliances, in Fiscal 2014 and Fiscal 2015, respectively, our Company had, *suo-moto*, filed compounding applications with relevant authorities. Subsequently, the Company Law Board, Chennai, India, issued orders for compounding the abovementioned non-compliances by levying penalties on our Company and Directors. These penalties have been duly paid by our Company and Directors.

Our Subsidiary, MS Sorters, had filed a compounding application in relation to a failure in seeking the prior approval of the central government for entering into agreements with MIPL, MOPL and our Company. Subsequently, the Company Law Board, Chennai, issued an order for compounding the abovementioned non-compliance and levied a penalty on MS Sorters and its directors, which were duly paid by MS Sorters and its directors.

With the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

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

We have pursued and may continue to pursue acquisitions and mergers, and make strategic investments, and alliances as a mode of expanding our operations. For instance, MIPL and MOPL were merged into our Company in Fiscal 2015 as a group restructuring initiative. Similarly, our Company bought the assets of Sunshine, a sole proprietorship firm, pursuant to an agreement dated July 21, 2016. For details of our acquisitions, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*" on page 181. There can be no assurance that the integration of any future expansion or acquisitions will be successful or that the expected strategic benefits of any future expansion, acquisitions, mergers or alliances will be realised.

Going forward, we may continue to pursue further acquisitions, mergers, investments and expansions to enhance our operations and technological capabilities. For details, see "*Our Business – Our Strategies*" on page 159. However, there can be no assurance that we will be able to identify suitable acquisition targets or investment opportunities on commercially reasonable terms or be able to raise sufficient funds to finance such growth strategies. Expansion and acquisitions may require us to incur or assume new debt, expose us to future funding obligations, or integration risks, and we cannot assure you that such expansion or acquisitions will contribute to our profitability. In addition, there can be no assurance that we will be able to consummate our expansions, acquisitions, mergers or alliances in the future on terms acceptable to us, or at all. Further, there is no assurance that our products manufactured through future collaborations and alliances will generate the expected levels of interest amongst our customers or that our new ventures will generate return on investment at expected levels or at all.

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

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

Our business is dependent on our ability to manage our manufacturing facilities, which are subject to various operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, which could result in power interruptions and water shortages, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of suppliers and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence. Our manufacturing facilities are also subject to operating risk arising from any failure to comply with the directives of relevant government authorities or any changes in governmental regulations affecting our business and our facilities, which could lead to a loss of licenses, certifications, permits and the ability to continue operating from our current manufacturing facilities.

Disruptions caused due to breakdown of machinery installed at our facilities in Bengaluru and Chennai could also lead to a reduction in our production levels, resulting in a negative impact on our earnings. We cannot assure you that we will always have access to sufficient supply of electricity in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that our manufacturing facilities, unaffected by interruption, will have the capacity to increase their output to manufacture products to make up the affected manufacturing facilities. In the event of prolonged disruptions at our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability.

Our facilities and equipment would be difficult and costly to replace on a timely basis and in a cost-efficient manner. Moreover, catastrophic events could also destroy any inventory located at our facilities. Such disruptions may result in delays in shipments of raw materials from our suppliers to us and shipment of products from us to our customers. The occurrence of any such catastrophic event could result in the temporary or long-term closure of any of our manufacturing facilities, severely disrupting our business operations and materially and adversely affecting our business, results of operations, cash flows and financial condition.

20. ***Our business is continuously expanding, and the introduction of new products and expansion of our facilities might expose us to new business risks for which we may not have the expertise, the capability or the systems to manage.***

We continue to expand our product offerings, our facilities and customer base by increasing the production of grain processing equipment. For instance, in June 2018, we concluded the expansion of the Jigani Unit and KIADB Unit II, by increasing the built-up area of these units by an additional 14,002.35 sq. ft. and 12,500 sq. ft., respectively. The purpose of expansion of these facilities was to provide for additional space for catering to our growing customer demands. Apart from expanding our facilities and manufacturing grain processing equipment, we have also forayed into offering ancillary products such as yield management solutions, silica extraction, co-generation plants, and end-to-end turnkey processing solutions we may continue to expand its capacity, product range and may also tap new markets and customers with existing and new products. The market for alternative power resources is under-penetrated and we may have to deal with first-hand market risks. The success of new products offering will depend upon several factors, including, acceptance of new products by the customers, preference of our customers and our ability to expand our relationship with customers, suppliers and third parties. We may not be able to successfully launch new products as planned or may not be able to recover the investments made as is expected by us. In the event our expansion plans (including new product launches and expansion of existing production capacities) are not successful, it could have an adverse effect on our cash flows, financial condition and results of operations.

21. ***There is outstanding litigation against our Company, our Directors, and our Promoters. Any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have a material adverse effect on our financial condition and results of operations.***

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

Litigation against our Company:

Nature of cases	Number of cases outstanding	Amount involved (in ₹ million)
Civil proceedings	1	3.78
Direct tax proceedings	4	41.00

Litigation by our Directors

Name of Director	Nature of cases	Number of cases outstanding	Amount involved (in ₹ million)
Ravindranath Ramaiah	Civil proceedings	1	NIL

Litigation against our Directors

Name of Director	Nature of cases	Number of cases outstanding	Amount involved (in ₹ million)
Rajendran Joghee	Criminal proceedings	1	NIL
Ravindranath Ramaiah	Criminal proceedings	1	NIL

Litigation against our Promoters

Name of Director	Nature of cases	Number of cases outstanding	Amount involved (in ₹ million)
Rajendran Joghee	Criminal proceedings	1	NIL
Ravindranath Ramaiah	Criminal proceedings	1	NIL

For further details see, "*Outstanding Litigation and Material Developments*" on page 385.

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

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

The volume and timing of sales to our customers may vary due to variation in demand for our customers' products, season and weather condition, our customers' attempts to manage their inventory, design changes, changes in their product mix, manufacturing strategy and growth strategy, and macroeconomic factors affecting the economy in general, and our customers in particular. Our inability to forecast the level of customer demand for our products, process innovation, and value engineering costs as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. In particular, our inability to accurately forecast demand for products in our emerging product verticals may hinder our planned growth in these verticals.

We have a dedicated team involved in the formulation of our production plan. Our production planning team receives a three-month forecast from our marketing department, which is typically provided during the final week of a quarter. The forecast includes details of the type of machines required, the capacities and quantities of such machines, and the locations where these machines are required to be deployed at. For details, see "*Our Business – Production Process Management – Production Planning*" on page 164. Despite production forecasts of our production planning team, the actual production volumes may vary from estimates due to variations in consumer demand for the products. This may, *inter alia*, lead to an underutilization of capacity, or the incurrence of additional expenditure in order to deploy additional resources to meet delivery timelines.

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

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

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven new trademarks, five patents, 12 designs, 28 copyrights, and renewal of the registration of one trademark. We expect to continue to dedicate significant financial and other resources to our research and development efforts, in order to maintain our competitive position. Investing in research and development, developing new products and enhancing existing products is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our products, design improvements, cost savings, revenues or other expected benefits. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.

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

Our business, including our manufacturing operations in particular, carry an inherent risk of exposure to substantial liability for property damage, personal injury or death, product liability, environmental pollution, or other damage. As of March 31, 2018, we have obtained insurance for an aggregate amount of ₹377.56 million, on a consolidated basis. We maintain a 92.40% coverage of the gross value of property, plant and equipment through a number of insurance policies which are in line with industry practices. Although we maintain insurance coverage for all anticipated risks, our insurance is subject to customary deductibles, exclusions and limits which may prevent us from fully recovering our losses, or our insurance may not be adequate to cover our liabilities. There may also be certain types of risks for which we are not covered. For instance, we currently do not have product recall insurance. Further, there is no assurance that insurance will be generally available in the future or, if available, that the premiums will be commercially justifiable. If we incur substantial liability which is not covered by insurance or exceed policy limits, our business, financial condition, results of operations and prospects may be adversely affected.

25. ***We may lose existing accreditations, fail to obtain accreditations for facilities for which we have made applications, or fail to renew our accreditations if we are not able to maintain or meet evolving accreditation standards.***

We are an ISO 9001:2015 and ISO 14001:2015 certified company, with our manufacturing facilities having the necessary technology and infrastructure to engage in the manufacture of grain processing equipment and provide our ancillary product offerings. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 176. Our ability to obtain and retain our accreditations depends on the standards and protocols we are required to maintain by the accrediting body. We may also be required to progressively achieve better standards and meet stricter requirements if norms for accreditation are revised, and we may not be able to meet such standards. We may face reputational risk if our accreditations are either withdrawn or not renewed. Any such action may adversely affect our revenue, prospects and results of operations.

26. ***Availability and cost of raw materials, components and electricity may adversely affect our business, financial condition, results of operations, and prospects.***

Our business, financial condition, results of operations and prospects are significantly impacted by the availability and cost of raw materials particularly, steel, aluminium, and components such as motors blowers and pumps. If our suppliers are unable to supply raw materials and components which are required for the manufacture of our products in sufficient quantities, or if there is a loss of one or more significant suppliers, our ability to obtain our raw material or components could be adversely affected.

We also rely on an identified pool of suppliers for fulfilling our raw material needs. For instance, we rely on one supplier for procurement of raw materials required to facilitate the manufacture of colour sorters. In Fiscal 2018, our cost of goods consumed for manufacture of colour sorters accounted for 25.48% of our cost of total raw material and components consumed.

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

Our Company has not executed long term supply contracts with a majority of suppliers and, procures the raw materials and retail products on the basis of purchase orders. In the absence of such definitive agreements, it may be difficult for us to exercise our rights, or to enforce any obligations against such suppliers. To the extent that we are unable to secure adequate supplies of raw materials on commercially reasonable terms or to pass on price increases to our customers, our profitability may be impaired.

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

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

For details of our management and Key Management Personnel, see "*Our Management – Key Management Personnel*" on page 196.

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

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

Further, our manufacturing activities are labour intensive, requiring our management to undertake significant labour interface, and expose us to the risk of industrial action. As of March 31, 2018, we had a total work force of 821 individuals comprising of 396 employees employed by us on a full-time basis, and 425 individuals engaged by us on a contractual basis.

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

29. ***If we propose to establish new facilities in future, we may be subjected to risks associated with the setting up of such facilities, which could hamper our growth, cash flows and business and financial condition.***

In the event we set up new facilities, we may encounter cost overruns or delays for various reasons which may be within or beyond our control. These include delays in construction, delays in receiving governmental, statutory and other regulatory approvals, and permits and delays in, or non-delivery of equipment by suppliers. If any facility that we propose to set up, maintain or renovate is not completed in a timely manner, or at all, our business and results of operations may be adversely affected. Further, our budgeted resources may prove insufficient to meet our requirements due to, among other things, cost escalation, which could drain our internal cash flows or compel us to raise additional capital, which may not be available, on terms favourable to us, or at all.

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

The amount of our Company's future dividend payments, if any, will depend on our Company's future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. The dividend, if any, will depend on an array of internal factors and external factors, which, *inter alia*, include (i) the Company's annual operating plan and budget, (ii) the macroeconomic environment, (iii) the capital budget of the Company, (iv) competition, (v) quarterly and annual performance results of the Company, (vi) legislations impacting the Company's business, (vii) investments by the Company (including mergers and acquisitions), and (viii) market related risks. For details, see "*Dividend Policy*" on page 205. There can be no assurance that our Company will pay dividends. Our Company may decide to retain all of our earnings to finance the development and expansion of our Company's business and therefore, may not declare dividends on our Equity Shares. Additionally, in the future, our Company's ability to pay dividends may be restricted by the terms of our Company's financing agreements in making dividend payments unless otherwise agreed with our Company's lenders.

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

We require substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For Fiscal 2018, Fiscal 2017 and Fiscal 2016, our power and fuel costs was ₹17.15 million, ₹13.84 million and ₹13.28 million, constituting 0.76%, 0.71% and 0.82%, respectively, of our total expenses. We source almost all the electricity requirements for our manufacturing facilities from local utilities. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements and are high on costs, thereby adversely affecting our cost of production and profitability. Further, if, for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

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

While our Restated Financial Information are presented in Indian Rupees, our exports and imports are generally reckoned either in USD or Swiss Francs. Revenues and operating expenses of our exports and imports are influenced by these currencies. For Fiscal 2018, our revenue from export sales was ₹139.11 million, or 5.23%, of our total revenue from operations. The cost of importing components from locations outside India was ₹383.60 million, or 17.10%, of our total expenses, for Fiscal 2018.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in the past, and this has impacted our results of operations. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenues will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Our Board regularly reviews risks associated with foreign exchange and undertakes various measures to mitigate such risks.

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

We have invested in and have established a strong information-technology system both for enabling technological innovations in the area of manufacturing grain processing equipment, as well as integrating systems and processes through the SAP system, towards streamlining our operational and administrative functions. Our information-technology systems and technological infrastructure has been adopted to ensure that our manufacturing processes remain commensurate with global standards and practices. We significantly rely on our information technology systems for the timely supply of our products to customers.

We believe that we have deployed adequate information technology disaster management systems including data backup and retrieval mechanisms, in all our facilities. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on information technology initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of information technology systems thereby adversely affecting our ability to operate efficiently.

34. ***Our failure to identify and understand evolving industry trends and preferences may adversely affect our business.***

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. If we are unable to obtain knowledge about industry trends and preferences in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

35. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business. Further, we may require additional funding to finance our operations, for which financing may not be available on terms acceptable to us or at all.***

As at March 31, 2018, our non-current and current borrowings stood at ₹9.47 million and ₹1.93 million, respectively, on a consolidated basis. Further, we had a sanctioned working capital facility of ₹120.00 million, which has not been drawn down by our Company as of March 31, 2018. The Company has also availed a term loan of ₹15 million, of which ₹11.40 million was outstanding as of March 31, 2018. For details, see "*Financial Indebtedness*" on page 383.

All borrowings availed by us have been utilised for purposes authorised under the Memorandum of Association, and for such purposes for which the borrowings were advanced to us. Our financing arrangements include various conditions and covenants that require us to obtain consents from our lender prior to carrying out certain activities and entering into certain transactions, such as effecting any drastic change in the management of our Company and effecting any change in our capital structure and reconstitution of our Company. For further details of the restrictive covenants, see "*Financial Indebtedness*" on page 383. Any failure to service such indebtedness, comply with the conditions specified by the lender, or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand, or a termination of our credit facilities, or penalties due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

We have created security interests in favour of the creditor who has extended financing to us by way of hypothecation and mortgage. We are required, on a continual basis to service this loan, including interest owed on the loan. The working capital facility sanctioned to our Company is repayable on demand. In the event we fail to service our obligation in a timely manner, we run the risk of the lender repossessing our assets hypothecated or mortgaged to them towards recovery of monies due from us. If our lender takes any enforcement action with respect to our assets, we may not be able to utilise such assets. Our financial condition and revenue may therefore be adversely affected as a result of any such action.

Any failure to comply with the requirements, conditions or covenants of any of our current or future financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. Further, we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. Any default and the consequences thereof may also result in a decline in the trading price of our Equity Shares and you may lose all or part of your investment. Any action initiated by a lender may result in the price of the Equity Shares being adversely affected along with our ability to obtain further financing from banks and financial institutions. Moreover, our ability to borrow and the terms of our borrowings depends on our financial condition, the stability of our cash flows and our capacity to service debt in a fluctuating interest rate environment. As a result, our business and financial condition may significantly and adversely be impacted.

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

We compete with various competitors to retain our existing customers and attract new customers. Our failure to obtain new customers or to retain or increase our existing customer base could adversely affect our financial results. In addition, we may incur significant expense in building our customer base which may not be recovered.

We face increasing competition across our product portfolio, both from well-established international producers in the agricultural processing industry as well as from other low-cost manufactures. Some of our key competitors include, Buhler, Satake, GG Dandekar, Suri and Guru Nanak Industries (*Source*: CRISIL Report).

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

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

We distribute and install our products in various countries outside of India. Our international operations are subject to risks that are specific to each country and region in which we operate as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- Fluctuations in foreign currency exchange rates against the Indian Rupee, which can affect our results of exports, the relative prices at which we, and our foreign competitors sell products in the same markets, and the cost of certain inventory and non-inventory items required in our operations.

- Compliance with local laws, including environmental, health, safety and accounting laws, may impose onerous obligations on us.

- Changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, as well as changes in policies relating to foreign trade and investment, may affect our ability to operate and the way in which we manage our business in the countries in which we operate.

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

In the ordinary course of our business, we enter into, and will continue to enter into transactions with related parties. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. Further, the transactions we have entered into, and any future transactions with our related parties, have involved or could potentially involve conflicts of interest which may be detrimental to our Company. In the past, we have had instances of our failure to comply with the provisions of the Companies Act, 1956, or the Companies Act, 2013, insofar, as its provisions relate to the manner in which related party transactions are to be conducted. For details regarding our related party transactions, see the section "*Financial Statements – Annexure 28A: Consolidated Statement of Transactions with related parties and balances*" on page 284.

39. *Our contingent liability, as per Ind AS 37, could adversely affect our results of operations, cash flows and financial condition.*

As disclosed in our Restated Consolidated Financial Information, as of March 31, 2018, we had a contingent liability (that had not been provided for) of ₹3.78 million towards an ongoing labour dispute. If the abovementioned contingent liability materialised, it could have an adverse effect on our cash flows. For further details, see "*Financial Statements*" on page 207.

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

We rely on third parties for the supply of raw materials, components, contract labour and power required for the manufacture of our products, as well as for performance of certain functions and services carried out at our manufacturing and office premises including waste management and facility management functions. For Fiscal 2018 and Fiscal 2017, job-work charges constituted 1.08% and 1.20% of our total expenses, and freight and forwarding charges constituted 0.32% and 0.42% of our total expenses, respectively. Our reliance on third parties for certain critical outsourced job works and on transporters for transport and logistics may affect our timelines for making delivery to our customers.

Our ability to identify and build relationships with reliable suppliers worldwide contributes to our growth, and our successful management of our inventory as well as other aspects of our operations. Our raw material and component suppliers may fail to consistently deliver products of acceptable quality and within stipulated schedules. Further, the contractors to whom we have outsourced certain functions such as plating, blackening, and shot blasting at our facilities may not fulfil specified performance standards, which may adversely affect our operations. We may be required to replace a supplier if its products or services do not meet our safety, quality, or performance standards, or if a supplier should unexpectedly discontinue operations due to reasons beyond its or our control (including financing constraints caused by credit market conditions).

Moreover, many of our suppliers are small players with limited resources and competencies, thereby increasing the risk of instability on the part of such suppliers. Any such instability may render us incapable of, or result in delays on our part in, meeting our contractual obligations to our customers thereby adversely affecting our business and financial condition. As on March 31, 2018, we had 425 individuals engaged by us on contractual basis, who have been hired through various agencies. We exercise lesser control on individuals employed on a contract basis as compared to our own individuals. Whilst cost for contract labour may be lower than employees, contract labour may not be as competent in carrying out operations as compared to trained and skilled employees.

Some of the equipment sold to our customers are collected directly from our manufacturing or assembling facilities. Our Company has availed transit insurance policy to cover delays and damages caused during the delivery of our equipment to our customers, and the premium for such transit insurance policy is directly recovered by our Company from our customers. We are required to rely on transport and logistics service providers for transporting the equipment. Any failure on the part of transport and logistics service providers in performing their services in the expected manner could result in us breaching our committed delivery timelines. Factors such as the financial instability of contractors, suppliers, vendors' non-compliance with applicable laws, trade restrictions, labour disputes and transport capacity and cost may disrupt our supply chains, which may result in increased costs or delivery delays. Further, increase in competition and / or our competitors having established operations and long-term relationships with suppliers may see us facing challenges to secure adequate supply of raw materials or may increase our overall cost of raw materials. Therefore, there is no assurance that third party suppliers or contractors will be able to meet their contractual commitments to us, or that we will not be required to incur additional costs to remedy any deficiencies in their services or to obtain alternative sources of supply in the event that our contracted suppliers should default or be delayed in their performance. A significant disruption in supply of raw material, contract labour, power or other third-party services may, in turn, disrupt our operations and adversely affect our inventory management, business and financial condition, at least until alternative sources of supply of goods and services are arranged.

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

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

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products.

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

42. ***Our Group Company has incurred loss in Fiscal 2018, which may have an adverse effect on our reputation and business***

The following table sets forth the details of our loss-making Group Company:

(Figures in ₹ million except per share data)

Sl. No.	Name of the Group Company	Profit / (Loss)		
		Fiscal 2018	**Fiscal 2017**	**Fiscal 2016**
1.	Agri Power	(2.22)	49.60	3.89

There can be no assurance that our Group Company will not incur losses in the future, which may have an adverse effect on our reputation and business.

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

Our presence across the agro-processing industry enables us to provide grain processing solutions to our customers at affordable rates, thereby ensuring that we maintain a consistent track record of operating and financial performance. This apart, our foray into providing ancillary products such as yield management solutions, silica extraction, co-generation plants, and end-to-end turnkey solutions has ensured that we maintain an expanding product portfolio, while creating a wider and robust customer base.

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

Depending on the terms under which we supply products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. A successful warranty or product liability claim, or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

We do not carry insurance for product liability or recall. Whilst there have been no product liability claims against us in the past, we cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations and financial condition.

44. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions.

We believe that we have an adequate internal controls system, which includes regular internal audits, division of responsibility for approval of tasks, annual audit of our Company's internal financial controls and a risk management committee. The Company is compliant with Internal Control on Financial Reporting Guidelines issued by the ICAI. However, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

45. ***Some of our immoveable properties, on which we have set up a manufacturing facility, and two storage units have been leased to us. If we are unable to renew the existing leases or relocate our operations on commercially reasonable terms, there may be an adverse effect on our business, financial condition and operations.***

One of our manufacturing units and two of our storage units are located on land held by us on a leasehold basis from third parties. The lease for these premises require periodic renewal and remains subject to periodic escalation of lease payments. Further, the land on which our Chennai Unit is situated has been obtained by us on a leasehold basis, with effect from August 4, 2016. The term of the lease of our Chennai Unit expires on August 3, 2018. As on March 31, 2018, March 31, 2017 and March 31, 2016 our rental expenses amounted to ₹5.35 million, ₹2.91 million and ₹2.75 million, respectively, on a consolidated basis. For details of our immoveable properties, see "*Our Business – Immoveable Properties*" on page 168.

If we are unable to renew this lease on commercially reasonable terms, we may suffer a disruption in our operations or be unable to continue to operate from the locations in the future (and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and / or incur significant costs to relocate or expand our operations elsewhere in order to continue to honour our commitments to our customers). In addition, the terms of some of our lease agreements require us to obtain the lessor's prior consent for alterations, or installations of any kind.

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

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

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

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

47. ***We have issued Equity Shares at prices that may be lower than the Offer Price in the last 12 months.***

We have issued Equity Shares in the last 12 months at a price that may be lower than the Offer Price, as set out in the table below:

Name of the Allottee	Date of Allotment	Number of equity shares	Issue Price (₹)	Reason
Multiples Mauritius	June 22, 2018	2,147,397	-	Bonus issue in the ratio 347:153(1)
Multiples India		733,855		
Rajendran Joghee		1,430,212		
Ravindranath Ramaiah		1,430,212		
Manjula Rajendran		340,196		
Uma Rachappa		340,194		
Ashish Kacholia		260,354		
Bengal Finance & Investment Private Limited		260,354		
Rohit Ravindranath		2		

(1) Authorized by way of a Shareholders resolution passed at the AGM held on June 15, 2018

The Offer Price is not indicative of the market price following the listing of the Equity Shares. For details, see "*Capital Structure – Share Capital History of our Company*" on page 86.

48. ***We might infringe upon the intellectual property rights of others, any misappropriation of which could harm our reputation and competitive position.***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights which may force us to alter our technologies, obtain licenses or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a license, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licenses or design modifications can be extremely costly. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition.

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

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

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors.

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

The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage that we may have over other companies in the agricultural processing industry could be harmed. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

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

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

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

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

As on the date of this Draft Red Herring Prospectus, we have registered 25 trademarks under the laws of countries such as India, China, Egypt, Indonesia, and Nepal, among others. Further, we have applied for the registration of seven new trademarks, and renewal of the registration of one trademark. Some of the applications filed by us for registration of trademarks in relation to our Company, remain pending as on the date of this Draft Red Herring Prospectus. Accordingly, we do not enjoy statutory protections accorded to registered trademarks in India, or such other geographies in which we operate, in respect of trademarks for which we have made applications, but registration remains pending. In the absence of registration, competitors or other companies may challenge our use of these trademarks or allege that we have breached their intellectual property rights, which may adversely affect our brand image, goodwill and customer relations. In the event that we become involved in litigation in order to defend our intellectual property claims, we may become subject to significant legal costs and there is no assurance that any such litigation will be resolved in our favour.

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

This Draft Red Herring Prospectus includes information that is derived from an industry report, "*CRISIL Research on Customised study for DRHP of Milltec May 2018*" published by CRISIL. For details, see "*Industry Overview*" on page 110. No person connected with this Offer has independently verified the CRISIL Report. Generally, industry reports and data disclaim the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information provided, or for the results obtained from the use of such industry information. Further, the CRISIL Report is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions considered in the CRISIL Report are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Red Herring Prospectus. Further, the CRISIL Report is not a recommendation to invest / disinvest in the Equity Shares. Further, generally industry reports and data disclaim all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offer who uses or relies upon the industry information or extracts there from. Prospective investors are advised not to unduly rely on the CRISIL Report when making their investment decisions.

53. ***The proceeds from this Offer will not be available to us.***

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

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

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

External Risk Factors:

55. ***Significant differences exist between Ind AS and Indian GAAP and other accounting principles, such as IFRS and US GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our financial statements for Fiscals 2014 and 2015 included in this Draft Red Herring Prospectus are prepared and presented in conformity with Indian GAAP, while our financial statements for Fiscals 2018, 2017, and 2016 included in this Draft Red Herring Prospectus are prepared and presented in conformity with Ind AS, in each case restated in accordance with the requirements the SEBI ICDR Regulations and the Guidance Note on "*Reports in Company Prospectuses (Revised 2016)*" issued by the ICAI. Ind AS differs from Indian GAAP and other accounting principles with which prospective investors may be familiar in other countries, such as IFRS and U.S. GAAP. As a result, the financial statements prepared under Ind AS for Fiscals 2018, 2017, and 2016 may not be comparable to our historical financial statements. For a reconciliation of Indian GAAP to Ind AS, please see Annexure VI to our Restated Financial Information. Accordingly, the degree to which 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. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

56. ***Compliance with applicable health, safety, environmental and other governmental regulations may be costly and adversely affect our results of operations.***

Compliance with applicable health, safety, environmental and other governmental regulations is time consuming, costly and requires a number of dedicated personnel. We are subjected to payment of fees and levies on an ongoing basis with respect to a number of licences, approvals, consents and permissions we are required to obtain from governmental authorities. We are required to periodically maintain a number of records and registers and file a number of returns. Ensuring compliance requires that we hire trained personnel across our locations. Our compliance costs may adversely affect our revenue.

57. ***Wage increases in India may reduce our profit margins and negatively impact our financial condition and results of operations.***

We are highly dependent upon availability of skilled and semi-skilled labour. Wages and other compensation paid to our employees is one of our significant operating costs, and an increase in the wages or employee benefit costs will significantly increase our operating costs. Because of rapid economic growth in India and increased competition for skilled and semi-skilled employees in India, wages for comparable employees in India are increasing at a fast rate. We may need to increase the levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of skilled and semi-skilled employees that our business requires. Further, many of our employees receive salaries that are linked to minimum wage laws in India and any increase in the minimum wage in any state in which we operate could significantly increase our operating costs. In addition, a shortage in the labour pool or other general inflationary pressures or changes will also increase our labour costs. Wage increases in the long-term may reduce our competitiveness and our profitability.

58. ***Our business and activities may be regulated by the Competition Act, 2002.***

The Competition Act, 2002, as amended (the "**Competition Act**"), was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial penalties. Any agreement among competitors which directly or indirectly determines purchase or sale prices, directly or indirectly results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or the provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the relevant market or any other similar way, is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits the abuse of dominant position by any enterprise. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. See "*Regulations and Policies*" on page 169 for details of the laws currently applicable to us.

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

The application of various Indian tax laws, rules and regulations to our services, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted, or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

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

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Offer, including by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of our Company to raise capital through offerings of the Equity Shares. Our Promoter and Promoter Group currently hold an aggregate of 51.00% of the outstanding Equity Shares. After the completion of the Offer, our Promoter and Promoter Group will hold 36.00% of the outstanding Equity Shares. Our Company cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale, will have on the market price of the Equity Shares.

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

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

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

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

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

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

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

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Previously any gain realised on the sale of listed Equity Shares on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India. However, as per the Finance Bill, 2018, the Government introduced long-term capital gains on sale of equity shares, with effect from April 1, 2018. The long-term capital gains in excess of ₹0.10 million from sale of equity shares is proposed to be taxed at a rate of 10%.

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

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

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

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

66. ***The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax ("**GST**") that has been implemented with effect from July 1, 2017 combines taxes and levies by the central and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the central and state governments.

As regards the General Anti-Avoidance Rules ("**GAAR**"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

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

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

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

Various political and economic factors within countries where we operate, such as a change in the Government, a change in the economic and deregulation policies, high rate of inflation, poverty, unemployment, illiteracy, a downgrade of India's sovereign rating by international credit rating agencies, and a slowdown in economic growth or financial instability, could affect our access to capital, and adversely affect our business and results of operations. This apart, the occurrence of man-made disasters such as acts of terrorism, civil unrests, military actions, and other acts of violence or war in India and around the world could impair our business, financial condition, and results of operations.

Prominent Notes:

1. Public issue of up to 3,751,499 Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹[●] million, comprising an Offer for Sale of up to 1,677,596 Equity Shares by Multiples Mauritius, 573,304 Equity Shares by Multiples India, 606,125 Equity Shares by Rajendran Joghee, 606,125 Equity Shares by Ravindranath Ramaiah, 144,175 Equity Shares by Manjula Rajendran, and 144,174 Equity Shares by Uma Rachappa. The Offer shall constitute 37.50% of the fully diluted post-Offer paid-up Equity Share capital of our Company.

2. As of March 31, 2018, our net worth was ₹1,055.63 million, as per the Restated Consolidated Financial Information. As of March 31, 2018, our Company's net worth was ₹1,064.46 million as per the Restated Standalone Financial Information.

3. As of March 31, 2018, the net asset value per Equity Share, post the bonus issue of Equity Shares carried out by our Company, was ₹105.52, as per the Restated Consolidated Financial Information, and ₹106.40 as per the Restated Standalone Financial Information.

4. The average cost of acquisition per Equity Share by Rajendran Joghee is ₹8.32 per Equity Share, Ravindranath Ramaiah is ₹8.32 per Equity Share, Manjula Rajendran is ₹0.10 per Equity Share, and Uma Rachappa is ₹0.09 per Equity Share.

   For details, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*" on page 90. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amounts paid by our Promoters to acquire the Equity Shares.

5. The average cost of acquisition per Equity Share by Multiples Mauritius is ₹299.88 per Equity Share and Multiples India is ₹299.88 per Equity Share.

   For details, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company*" on page 90. The average cost of acquisition per Equity Share by the Selling Shareholder has been calculated by taking the average of the amounts paid by the Selling Shareholder to acquire the Equity Shares.

6. During the period commencing from six months immediately preceding the date of filing of the Draft Red Herring Prospectus, no financing arrangements existed pursuant to which our Promoters, Promoter Group, Directors, or their relatives have financed the purchase of Equity Shares by any other person.

7. There have been no changes to the main objects in the three years preceding the date of filing of this Draft Red Herring Prospectus. Our Company was originally incorporated as MILLTEC Machinery Private Limited on August 28, 1998, at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company, and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on March 21, 2018 in the name of MILLTEC Machinery Limited. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters – Brief History of our Company*" and "*History and Certain Corporate Matters – Changes in Registered Office*" on page 174.

8. For details of related party transactions entered into by our Company with the Group Company and Subsidiaries during the last Fiscal, the nature of transactions and the cumulative value of transactions, see

"*Related Party Transactions*" on page 204.

9. Except as stated in the chapter "*Related Party Transactions*" on page 204, our Group Company does not have any business or other interest in our Company.

10. Any clarification or information relating to the Offer shall be made available by the BRLMs and our Company to the investors at large, and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Offer.

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

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*The information in this section has been extracted from the report titled "CRISIL Research on Customised study for DRHP of Milltec May 2018" ("**CRISIL Report**"). We have commissioned the CRISIL Report to provide industry data and an independent assessment of the agro-processing industry. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such financial, industry, and market data in this document, it has not been independently verified by us or any of our advisors, or the BRLMs, or any of their advisors, and should not be relied on as if it had been so verified. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

The information in this section should be read in conjunction with the sections "Risk Factors", "Industry Overview", and "Our Business" on pages 20, 110, and 155, respectively.

KEY MACROECONOMIC INDICATORS

GDP growth to rebound in fiscal 2019

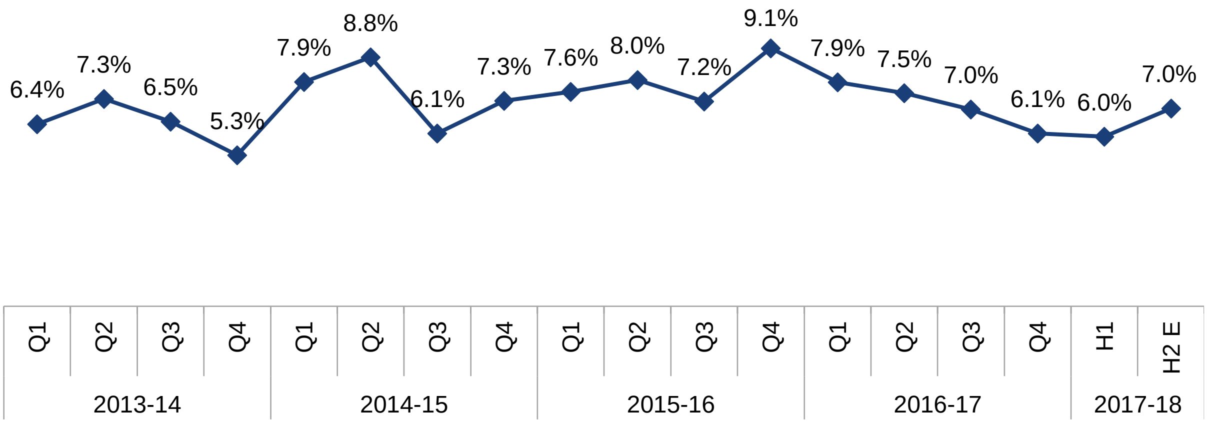
According to CRISIL Research, the Indian economy is expected to expand at 7.5% in fiscal 2019. After two consecutive years of deceleration, this looks like a strong recovery. Unlike fiscal 2018, the impetus to growth will come from both domestic and global factors.

On the domestic front, growth will largely be driven by factors outside the budget. The waning impact of demonetisation and the ironing out of Goods and Services Tax (GST) creases will support domestic activity. The initial forecasts from the Indian Meteorological Department (IMD) rule out an El Nino condition (associated with weak summer monsoon) in 2018. This augurs well for agricultural production. The frontloaded recapitalisation of banks will enhance the ability of the banks to create credit and support growth.

However, over the long term in contrast to healthy growth achieved during much of the previous decade, India's gross domestic product (GDP) growth plummeted sharply in this decade. The pace of Indian economic growth has slowed in fiscal 2018, which is attributable mostly to the lingering impact of demonetisation, transitory disruptions caused by the implementation of the Goods and Services Tax (GST), and weak agricultural growth

In the current fiscal (fiscal 2018), GDP for the first half stood at 6%, declining to a three-year low of 5.7% in the first quarter, but nosing up to 6.3% in the second quarter on an uptick in industrial growth. This upswing signals the fading impact of demonetisation and the destocking that preceded the GST implementation. We expect growth to pick up to 7% in the second half of this fiscal, aided by the low base effect of the second half of fiscal 2017.

Figure 1: GDP growth to pick up in H2FY18

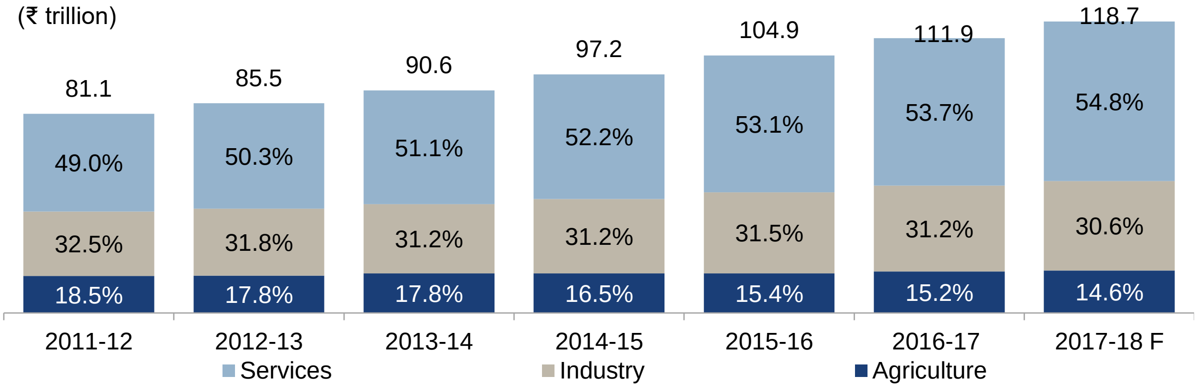


Source: CSO

Gross value added from agriculture grew at ~2.6% in the past five years

India's overall gross value added (GVA) expanded at ~6.65% compound annual growth rate (CAGR) between fiscals 2012 and 2017. The service sector contributed more than 50%, followed by the industry sector at 31% and agriculture sector at ~15%. The service sector is not only the largest contributor to the GVA, but it is also the fastest-growing segment, growing at ~8.6% CAGR in the period. The GVA from industry grew at ~5.8% CAGR, while the GVA from the agricultural segment grew at a ~2.5% CAGR, resulting in the declining share of agriculture to the total GVA.

Figure 2: Agriculture sector accounts for over 14% of the total GVA of the country



Source: CSO, CRISIL Research

The total GVA from agriculture increased to Rs 16.96 trillion in fiscal 2017, from Rs 15.02 trillion in fiscal 2012. CRISIL Research expects it to increase by ~2.1%, to Rs 17.32 trillion in fiscal 2018. The share of agriculture in the total GVA has declined, as happens when countries develop. However, the declining share does not undermine the importance of the sector in employment, livelihood and food security. With structural changes in agriculture, there is greater scope to broaden the range of activities related to agriculture to improve productivity and make way for sustainable growth. Within agriculture GDP, crops account for nearly 60% of the total output, others being fisheries, animal husbandry and forestry.

Exports from the agriculture segment amounted to $24.55 billion in fiscal 2017. Agricultural exports constitute 9% of the country's exports and are the fourth-largest exported principal commodity. Agricultural exports from India reached $22.5 billion during April 2017-January 2018 with exports of rice, pulses and maize accounting for 28%, 0.7% and 0.7% respectively, of the total agriculture exports.

RICE MILLING

Trends in Paddy production and exports

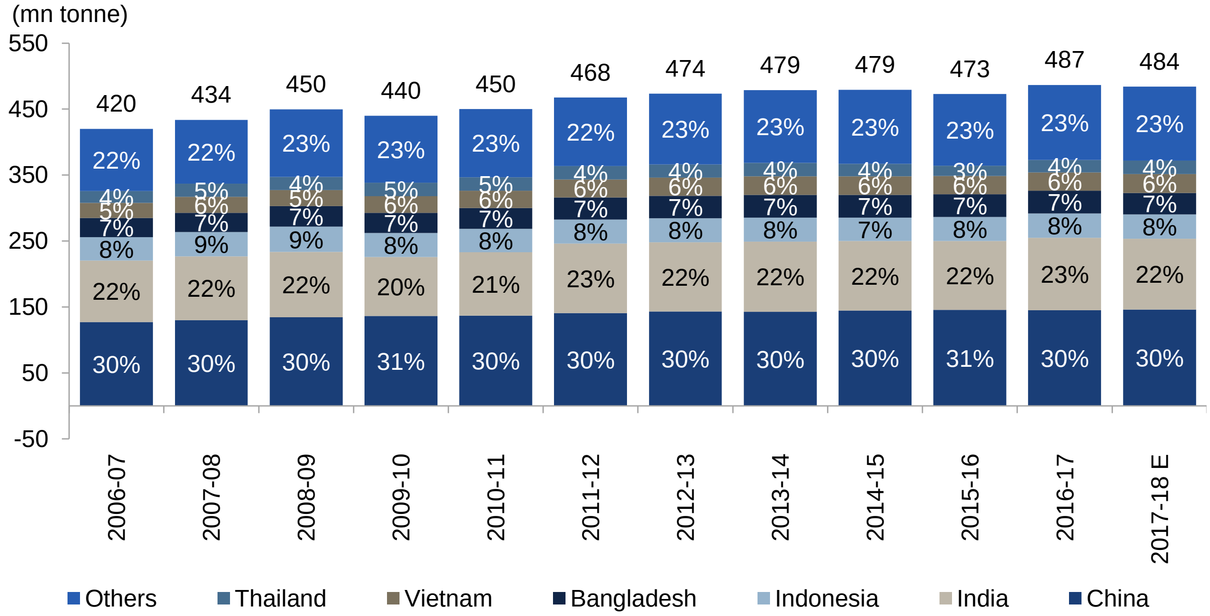
Global rice production remains highly concentrated

Global rice production remains highly concentrated, as paddy can be cultivated only in regions with a conducive weather, i.e., an adequate rainfall along with warm climatic conditions. Crop yields and area covered also influence production. Rice is a water intensive crop with water requirement of 1200-1400 mm.

Global rice production steadily grew 1-1.5% over the past ten years i.e. Marketing year (MY) 2007 to MY 2017 (marketing year for rice is May- April according to USDA), driven by the leading rice producers, China and India. Limited area additions in both countries due to high utilisation of agricultural land have limited faster growth in rice production.

The top five rice producers in the world account for over 80% of the global production, while India and China account for over 50%.

Figure 3: China and India – World leaders in rice production



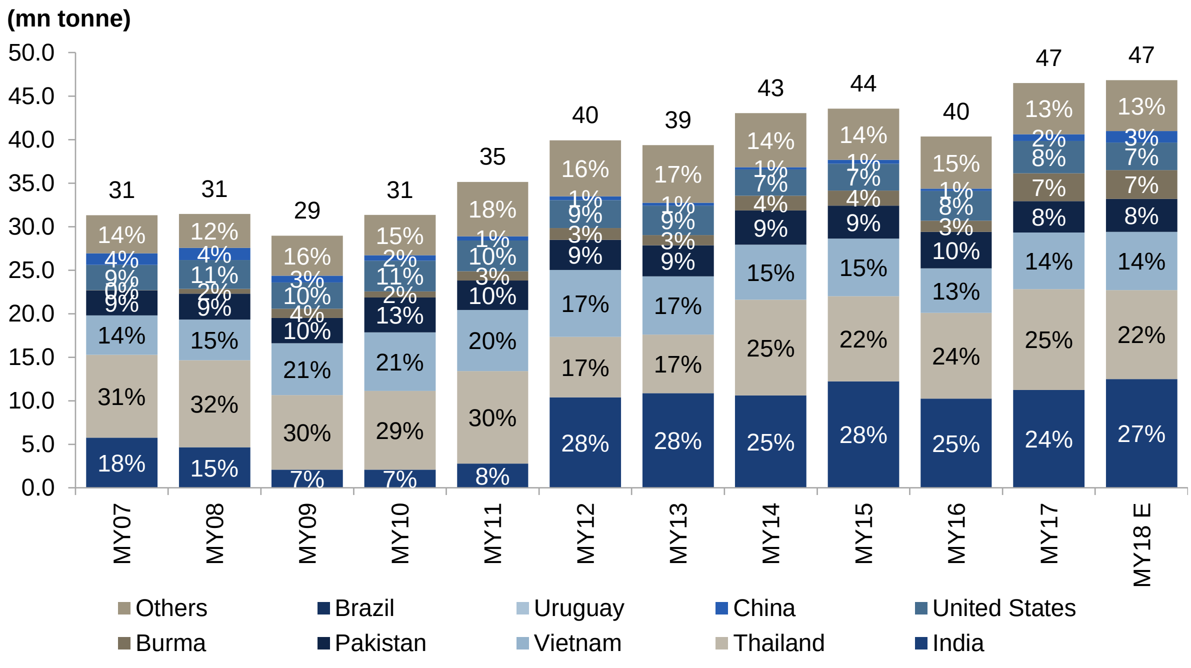
Note: MY - Marketing year (May- April)
Total production figures are in million tonne
Source: United States Department of Agriculture (USDA), Industry, CRISIL Research

India, Thailand, Vietnam, Pakistan and United States account ~75-80% of total exports

The global rice trade has been on the rise during the past five years (MY 2012 to MY 2017), because of higher demand for premium-quality rice, especially from countries in the Middle East. A shortage of food availability in the African countries further drove rice demand higher. Demand for Indian rice is high from countries such as Saudi Arabia, Iran and the US. These countries mainly import basmati rice, which fetches higher realisation than the non-basmati type. Pakistan is a key competitor for India in the export market, as basmati rice is largely produced in India and Pakistan.

However, government regulations in the countries remains a key monitorable for export markets. For example, Iran, a major importer of Indian premium-quality basmati rice until fiscal 2014, started producing more rice and stopped issuing fresh import licenses for basmati rice from India (October 2014 onwards) to encourage its rice producers and millers. To discourage further imports, it also revised import duty on aromatic rice from 22% to about 40% in August 2016. This impacted the exports from India. However, in November 2017, Iran lifted the ban on import of rice which led to increase in exports from India.

Figure 4: India is a chief exporter of rice in the world



Note: MY - Marketing year (May- Apri)
Total production figures are in million tonne
Source: United States Department of Agriculture, Industry, CRISIL Research

India, a leading paddy producer

Paddy is one of the most important food crops of India and is second most important crop in the world. It feeds more than 50% of the global population. Asia accounts for about 90% of the world's paddy cultivation. Among the paddy-growing countries, India has the largest area under cultivation, though in terms of volume of output, it is second to China, amid lower yields.

Paddy is grown during rabi and kharif seasons. For the rabi season, seeds are sown around the mid-November post-monsoon season and harvest begins in April or May. The crops are sown in the rain water that has been absorbed by soil. On the other hand, for the kharif season, seeds are sown just before the monsoon begins in May-June and the crop is harvested in October-November.

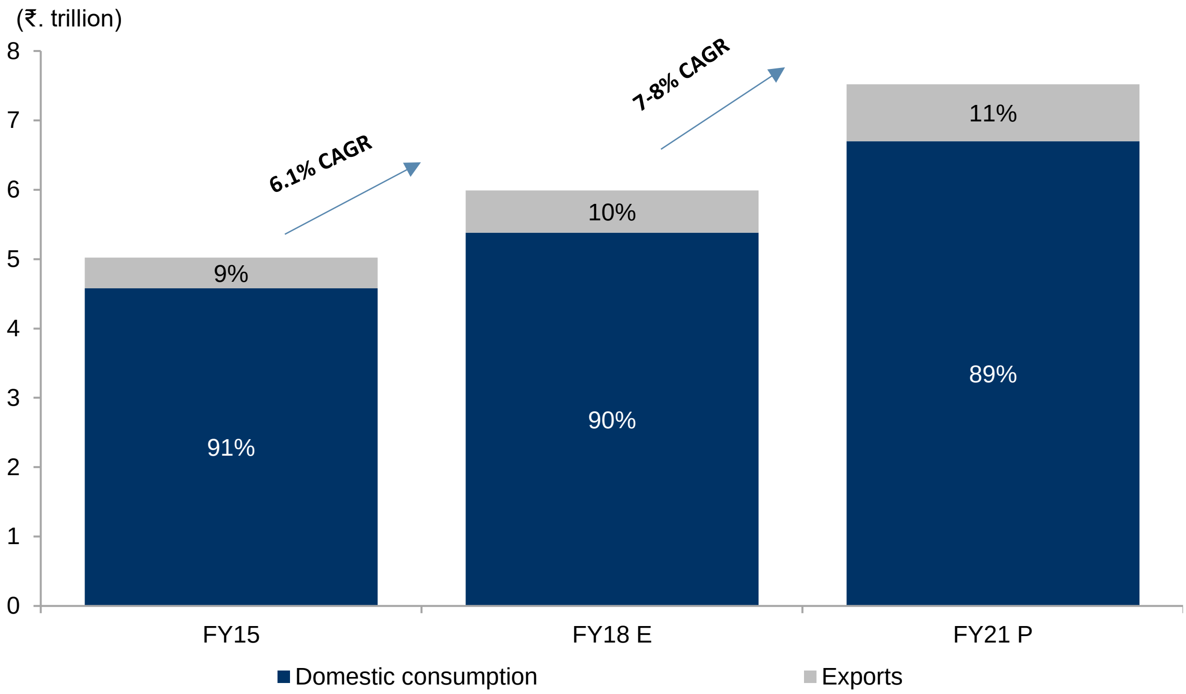
Sizing and growth outlook for milled rice

Indian milled rice market valued at about Rs. 6 trillion in fiscal 2018; growth momentum to continue

The domestic milled rice industry is mostly driven by domestic consumption, which accounts for over about 90% of revenue, while exports account for the rest. Revenue is expected to continue growing at a healthy pace of 7-8% CAGR over the next three years, driven by a steady increase in consumption and a gradual shift from unbranded to branded rice. On the other hand, exports are expected to grow at a fast pace of 10-11% in terms of value, because of rising demand from the Middle East, the US, the UK and new markets, such as China.

Rising population and, increasing urbanisation and consumerism are leading to a shift in demand from unbranded to branded food products, which are the key growth drivers for the rice industry in India over the next four to five years. With consumers increasingly preferring higher-quality rice, especially in the urban areas, the changing consumption pattern should drive growth of the branded-rice segment, fetching higher realisation to mills. Our industry interactions suggest that about 45% of rice consumption in India is currently branded in value terms (including the premium as well as regional brand segments), while most of the country buys rice from local manufacturers and traders (for example '*kirana'* shops)

Figure 5: Milled rice market to grow at a healthy pace over the next three years



Source: USDA, APEDA, Industry, CRISIL Research

Value chain of paddy processing

Paddy goes through various steps of processing before it is converted into rice. Three types of rice are consumed in India, based on the regional tastes and preferences- raw rice, steamed rice and parboiled rice. Parboiled rice is mostly consumed by Gujarat,north eastern states like West Bengal and Jharkhand and southern states such as Tamil Nadu, Andhra Pradesh, Telangana and Kerala. The north Indian states, such as Punjab and Haryana, and other states, such as Maharashtra, Andhra Pradesh and Telangana, prefer raw rice. Karnataka and the central states of Madhya Pradesh and Chhattisgarh predominantly consume steamed rice.

The manufacturing process for each variety is different and is explained below:

For manufacturing par-boiled rice, the rice paddy is partially cooked in the husk prior to milling in order to impart required hardness on the grain to withstand breakage in milling operations. This is done in three steps – soaking, steaming and drying using parboiling equipment. Parboiling also increases nutritional value of rice and changes its texture.

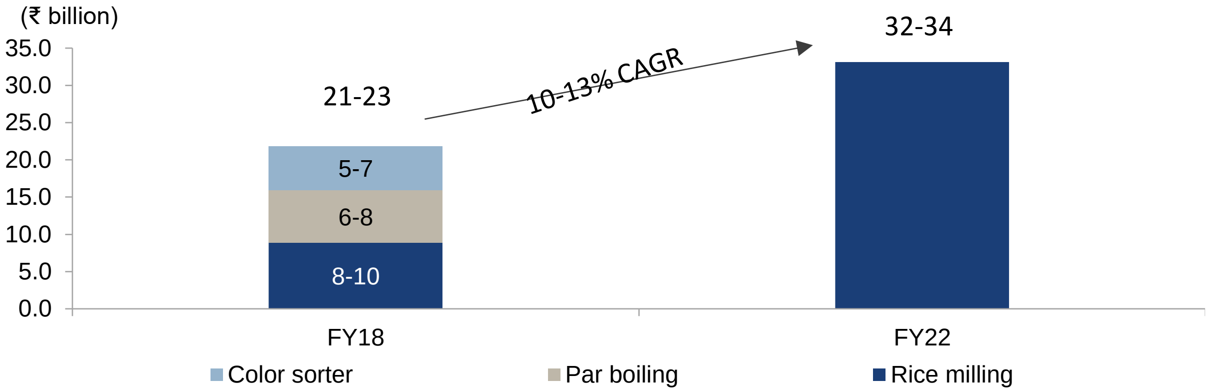
For manufacturing steamed rice, instead of boiling in the par boiler, steam is passed through the boiler where paddy absorbs moisture.

On the other hand, for manufacturing raw rice, the steps of boiling and drying are skipped and paddy is directly sent to the classifier or de-stoner.

Annual sales of rice processing equipment to grow at a healthy pace up to Fiscal 2022

The annual sales of rice-equipment is estimated at Rs 21-23 billion for fiscal 2018, and is expected to grow at a healthy pace of 10-13%, driven by both replacement demand and new demand from the capacity additions across various states. Demand is expected to be faster in the colour sorter segment as compared to the milling equipment.

Figure 6: Replacement and new capacity additions to drive annual sales of rice processing equipment



Source: Industry, CRISIL Research

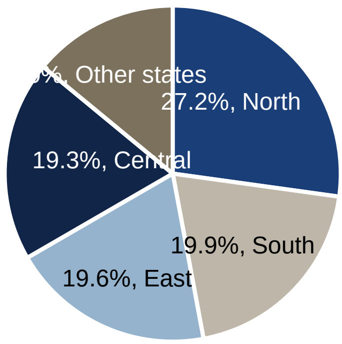
Capacity addition in terms of new mills and capacity increase by existing mills are expected to be seen majorly in the north-eastern states where the penetration of mills is low. Uttar Pradesh, which is a key producer of paddy, is also estimated to have a lesser number of mills, and capacity addition is expected in the state over the next 4-5 years. Madhya Pradesh, where the rice-milling industry is relatively new, is in an expansion stage, and a considerable amount of demand is expected from the central region of India.

Installed base of rice processing equipment valued at about Rs 270 billion in fiscal 2018

With paddy production concentrated in a few states, rice mills too have been concentrated in high paddy-producing states, leading to a bulk of rice-milling equipment demand originating from these states. The northern and eastern regions together account for 56% of the rice-milling equipment market in India in terms of value, as they comprise the highest paddy-producing states, West Bengal and Uttar Pradesh, followed by Punjab. In the south, Andhra Pradesh and Telangana are the states with the highest rice-milling equipment demand. The top five states, namely West Bengal, Uttar Pradesh, Punjab, Bihar and Andhra Pradesh, together with Telangana, account for half of the rice-equipment market in India in terms of value.

Although Tamil Nadu is one of the states with the highest paddy production, demand for equipment is relatively low, as a significant amount of paddy is transferred to Andhra Pradesh for milling. Also, a significant number of mills in Tamil Nadu supply to the government agencies under the PDS, and hence mostly use locally manufactured, inexpensive equipment in the rice mills.

Figure 7: North India dominates the installed base of rice processing equipment in terms of value in fiscal 2018



Note:
Northern states: UP, Uttarkhand, Haryana, Punjab
Southern states: Karnataka, Tamil Nadu, AP, Telangana, Kerala
Eastern states: West Bengal, Assam, Odhisha, Bihar, Jharkhand
Central & Western states, Chhttisgarh, Madhya Pradesh, Gujarat, Maharashtra
Other states: J&K, Rajasthan, Tripura, Sikkim, Nagaland, Mizoram, Manipur, Meghalaya, Himachal Pradesh, Arunachal Pradesh, Goa,

Source: Industry, CRISIL Research

PULSE PROCESSING

Trends in production and import of key pulses (Tur, gram and urad)

India achieves pulse self-sufficiency for 2 years in a row

India is the largest producer of pulses in the world, contributing to 25-28% of the total global production. Globally, ~90% of tur (pigeon pea) and 75% of bengal gram (chickpea/chana) is produced in India. Madhya Pradesh is India's largest pulse producing state, followed by Maharashtra and Rajasthan.

Significant part of pulses in India are grown in low fertility soils and unpredictable environmental conditions. Less than 15% of the acreage under pulses is irrigated, reflecting a huge dependence on monsoon. Pulses are climate resilient crops but susceptible to biotic stress since they are rich in nitrogen and phosphorus, making them attractive to insects, pests, and diseases.

Table 1: Profile of key pulses in India

Crop	Bengal Gram (Rabi)
Major States* (% share in production)	Madhya Pradesh (48%), Rajasthan (12%), Maharashtra (11%), Karnataka (9%)
Average 5 year yield, Kg/ha#	India (932) Madhya Pradesh (1100),Rajasthan (842) Maharashtra (752), Karnataka (619)
Water Requirement	250-400 mm (Low)
Key Uses	Human Food, Food processing, Animal feed
Crop	**Tur (Kharif)**
Major States* (% share in production)	Madhya Pradesh (24%), Maharashtra (22%), Gujarat (10%), Karnataka (9%)
Average 5 year yield, Kg/ha#	India (725) Madhya Pradesh (819), Maharashtra (692), Gujarat (1092), Karnataka (557)
Water Requirement	600-650 mm (medium)
Key Uses	Human Food
Crop	**Urad (Kharif and Rabi)**
Major States* (% share in production)	Madhya Pradesh (27%), Andhra Pradesh (21%), Uttar Pradesh (13%)
Crop season (% share in production)	Kharif (65%), Rabi (35%)
Average yield, Kg/ha#	India (573) Madhya Pradesh (475), Andhra Pradesh (837), Uttar Pradesh (542)
Water Requirement	600-750 mm (medium)
Key Uses	Human Food, Animal feed
Crop	**Moong (Kharif and Rabi)**
Major States* (% share in production)	Rajasthan (37%), Andhra Pradesh (9%), Tamil Nadu (8%), Madhya Pradesh (8%)
Crop season (% share in production)	Kharif (65%), Rabi (35%)
Average yield, Kg/ha#	India (418) Rajasthan (437), Andhra Pradesh (646), Tamil Nadu (523), Madhya Pradesh (444)
Water Requirement	250-500 mm (medium)

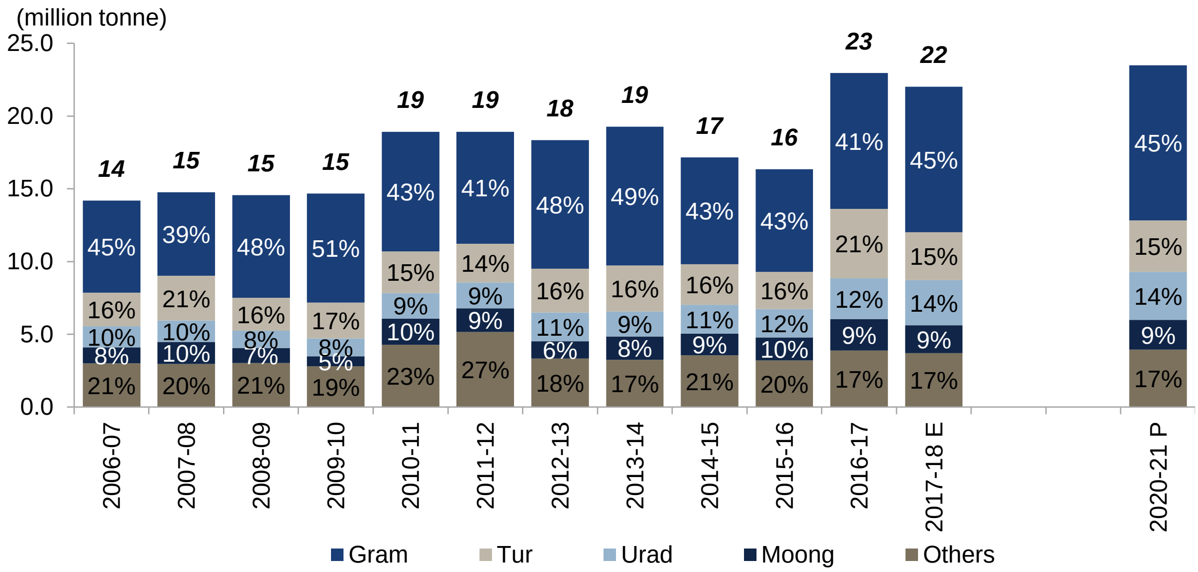
Key Uses	Human Food, Animal feed

Note: * Production output year considered: 2015, # average of 5 years from Crop year 2011-12 to Crop year 2015-16

Source: CRISIL Research

India's major food crops - rice and wheat - get higher benefits than pulses, owing to significant procurement by the government at minimum support prices (MSP) and inclusion in the public distribution system (PDS). On the other hand, procurement of pulses has been minimal and so have been sales through the PDS. Therefore, Indian farmers are inclined to grow either rice and wheat or cash crops such as cotton, sugarcane etc., and relegating pulses to a second choice for cultivation

Figure 8: Production to be 18-20% above decadal average in Crop year 2017-18



Note: Years plotted on chart are crop years (July to June)

Source: Department of Economics and Statistics, CRISIL Research

MAIZE PROCESSING

Trends in production

India's maize production in crop year 2017 highest in a decade

Globally, maize is the highest produced cereal crop. According to the United States Department of Agriculture, total global maize production stood at ~1,075 million metric tonne (MT) in 2016-17 (October to September). US is the largest maize producer and exporter in the world. China Brazil, Ukraine, and Argentina are among other key maize producing countries.

Maize is an important staple in many countries. It is also used as animal feed and in several industrial applications. The crop has tremendous genetic variability, which enables it to thrive in tropical, subtropical, and temperate climates.

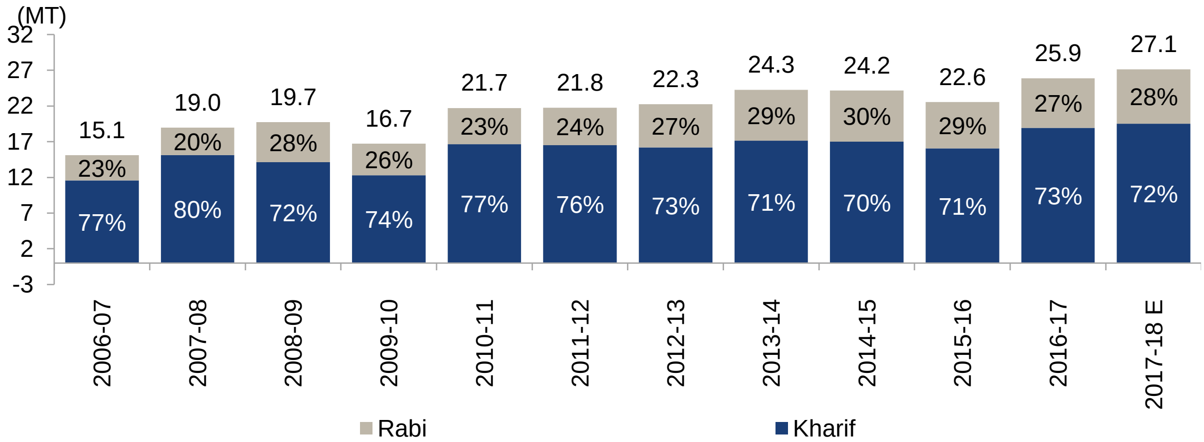
In India, maize is the third-largest crop grown, after rice and wheat. The total land area under maize cultivation was ~10 million hectare in crop year 2017 (crop year in India is from July to June). Maize produced in India is mostly consumed domestically for making value-added products. The crop is a primary source of starch, which is used in the textiles, newspaper, food, and pharmaceutical industries. Other processed by-products are ethanol and cattle and poultry feed, in the form of germ, gluten, and husk.

Table 2: Crop profile

Crop	Maize (kharif and rabi)

Major states* (% share in production)	Karnataka (15%), Andhra Pradesh (14%), Tamil Nadu (11%), Bihar (11%), Madhya Pradesh (11%), Rajasthan (8%), and Uttar Pradesh (6%)
Season-wise production (% share in total production in crop season 2017)	Kharif (73%), rabi (27%)
Total production in crop year 2017	25.9 million tonnes
Average 5-year yield, kg/ha#	India (2584) Karnataka (2887), Andhra Pradesh (4476) Tamil Nadu (5680), Bihar (3155), Madhya Pradesh (1882), Maharashtra (2272)
Pan India yield (kg/ha) in crop year 2017	2,612
% area irrigated under the crop ^	27%
Water requirement (mm/total growing period)	500-800 mm (medium)
Key uses	Human food, animal feed, chemical products, bio-fuel

Figure 9: Maize production grew ~5.5% CAGR in the past decade

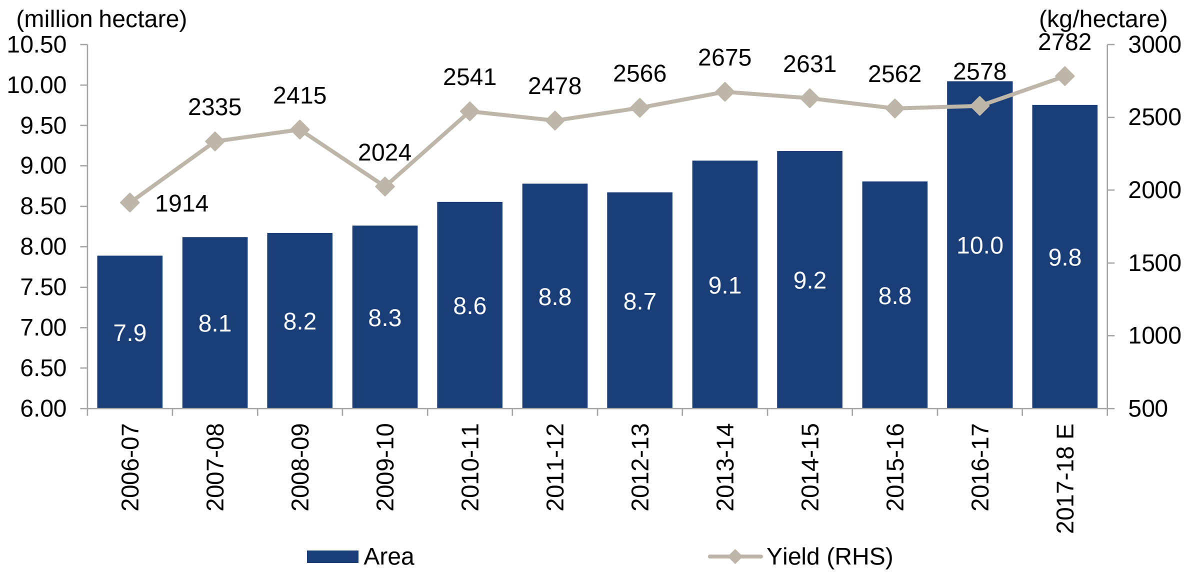


Note: The 2017-18E and 2016-17 production figures are according to the second estimates and the final estimates, respectively, released by the Directorate of Economics and Statistics

Note: Data is for crop year

Source: Directorate of Economics and Statistics, CRISIL Research

Figure 10: Area under cultivation and yield for maize has structurally risen in the past decade



Note: Data is for crop year

Source: Department of Economics and Statistics, CRISIL Research

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements, and also the section titled "Risk Factors" on page 20 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in the section titled "Risk Factors" on page 20. This section should be read in conjunction with such risk factors.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 110.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 207.

OVERVIEW

We are a diversified agro-processing equipment manufacturer in India, with a sales and distribution network in India and overseas. Our portfolio includes equipment to facilitate the processing of rice, pulses, wheat, seeds, and maize. We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report).

Our array of modern milling equipment has, over the years, benefitted millers by reducing process loss, enhancing price realisation, and ensuring high qualities of hygiene (*Source*: CRISIL Report). Our products are preferred among millers in India due to their quality and efficiency, and our after-sales service capabilities. This apart, our unique value for money proposition gives us a competitive edge (*Source*: CRISIL Report).

We are an ISO 9001:2015 and ISO 14001:2015 certified company with four well-equipped manufacturing facilities in Bengaluru, Karnataka, and Chennai, Tamil Nadu. From a single equipment manufactured to facilitate the whitening and polishing of rice grains in 1998, we have expanded our equipment portfolio to over 200 different types of grain processing equipment, as on March 31, 2018. Our product portfolio includes equipment for parboiling and drying, pre-cleaning, de-stoning, de-husking, thickness grading, polishing, length grading, sorting, and packaging, which cater to customers who have mills with throughput capacities ranging from two MTPH to 20 MTPH. We also offer end-to-end turnkey solutions for rice processing activities, as well as solutions to facilitate ancillary grain processing activities such as yield management.

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative new products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven trademarks, 12 designs, 28 copyrights, and five patents.

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. This network is also backed by an after-sales service team of 111 employees who provide our customers with access to maintenance services and spare parts and respond to a majority of our customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers.

Our Company is managed by our Promoters, Rajendran Joghee and Ravindranath Ramaiah, each of whom has over 25 years of experience in the milling equipment manufacturing industry. Our Company is also supported by an experienced management team, including our Chief Executive Officer, Rajan Aggarwal, who has over 30 years of industry experience, and our Chief Financial Officer, Ganapathy Subramaniam, who has over 35 years of experience. As of March 31, 2018, we employed 821 employees, comprising 396 individuals employed by us on a full-time basis, and 425 workers engaged by us on a contractual basis.

We have invested in and have established a strong information-technology system both for enabling technological innovations in the area of manufacturing grain processing equipment, as well as integrating systems and processes through the SAP system, towards streamlining our operational and administrative functions. Our information-technology systems and technological infrastructure has been adopted to ensure that our manufacturing processes remain commensurate with global standards and practices.

We believe that our brand equity is strongly associated with our leadership in the manufacture of agro-processing equipment. In recognition of our capabilities, we have been recipients of various awards, which we believe have been instrumental in creating our strong brand value. These awards, *inter alia*, include the "*Commendation Award for Best Business Exhibitor*" conferred by the Confederation of Indian Industry in the year 2000, the "*Award of Appreciation*" conferred by Triune Exhibitors Private Limited in the year 2009, and the "*Award of Honour*" conferred by the All India Rice Exporters Association in the year 2017. For details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 176.

The key highlights of our financial metrics on a consolidated basis from Fiscal 2016 to Fiscal 2018 are set out in the table below:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Total income (in ₹ million)	2,693.14	2,231.44	1,862.35
EBITDA margin$^{(1)}$ (in %)	18.57	15.87	17.21
Profit after tax (in ₹ million)	290.85	184.83	174.02
RoCE$^{(2)}$ (in %)	81.00	60.35	51.47
RoE$^{(3)}$ (in %)	31.25	26.90	34.42
Net cash flow from operating activities (in ₹ million)	235.05	352.32	215.22

Note:

1) *EBITDA Margin = (Restated profit before tax + Finance cost + Depreciation and amortization expense) / Total income*
2) *RoCE (Return on Capital Employed) = EBIT (Earnings Before Interest and Tax) / {Average of Current Year + Previous Year of (Total Assets – Current Liabilities – Cash & Cash Equivalents – Investments in Mutual Funds & Bonds)}*
3) *RoE (Return on Equity) = PAT (Profit After Tax) / Average of Total Equity of the Current Year and the Previous Year*

OUR COMPETITIVE STRENGTHS

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

Market leader in manufacture of rice processing equipment in India

We are a diversified agro-processing equipment manufacturer in India, with a sales and distribution network in India and overseas. Our portfolio includes equipment to facilitate processing of rice, pulses, wheat, seeds, and maize. We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report).

Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. We have established long-term relationships with several customers and leverage our relationship to cross-sell equipment to our existing customers and develop relationships with new customers. In Fiscal 2018, 2017 and 2016, we sold our equipment to 1,556, 1,429 and 1,175 customers, respectively, of which 833, 768 and 644 were new customers. Further, in Fiscal 2018, 2017 and 2016, 833, 768 and 644 existing customers made a repeat purchase representing 46.47%, 46.26% and 45.19% of our total customers in the respective Fiscals. Moreover, we continue to grow our global footprint with exports to African countries such as Nigeria, as well as countries such as the Germany, Indonesia, Iran, Myanmar, Netherlands, the Philippines and the United Kingdom. Apart from these exports, we also have installations of fully-equipped plants in countries such as Bangladesh, Pakistan, Nepal, Sri Lanka, and Thailand. Further, our diverse equipment portfolio has been made possible by our endeavour to focus on technological innovation and product development on existing products, apart from our ability to create new product segments.

Diversified product range appealing to a wide range of customers

With a focus on manufacturing equipment to facilitate the processing of rice grains, we commenced our operations with a single manufacturing facility in the year 1998. Subsequently, to ensure that we cater to the entire value chain of the rice grain processing industry we ventured into manufacturing products to facilitate activities such as parboiling and drying, husking, cleaning, and de-stoning and colour-sorting through four manufacturing facilities located in Bengaluru, Karnataka, and Chennai, Tamil Nadu, as on the date of this Draft Red Herring Prospectus. Over the years, we have also devised the capability to offer equipment to cater to millers depending on the extent of their throughput. Our rice mills have been designed with the capability to offer equipment with a throughput ranging from two MTPH to 20 MTPH.

To ensure that we meet the requirements of various market segments and address price points, our rice processing equipment are developed and manufactured under the following categories, *viz*., the 'Custom Milling Rice Mill Range', the 'Standard Range', and the 'Elite Range'. We also expanded our focus from the manufacture of equipment exclusively for the facilitation of rice processing equipment, to take into consideration various other grains including pulses, seeds, maize, and wheat. Our colour-sorting equipment, in particular, caters to customers across various segments such as pulses, wheat, and others. Since the launch of this equipment range in 2015, we have sold colour-sorters to 552 customers as of March 31, 2018. Our new range of parboiling equipment, was launched in 2017, has been sold to 36 customers as of March 31, 2018.

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from the sales of our boilers, parboiling and drying equipment and colour sorting equipment was ₹622.91 million, ₹401.66 million, and ₹344.01 million, respectively, contributing to 23.41%, 18.18%, and 18.65%, of our revenues for each of these periods, respectively. As at March 31, 2018, we offer a range of 200 types of grain processing equipment to cater to the processing of rice, pulses, seeds, maize, and wheat. This apart, we also offer ancillary products such as yield management solutions.

Well-equipped manufacturing facilities

We are an ISO 9001:2015 and ISO 14001:2015 certified company, with our manufacturing facilities having the necessary technology and infrastructure to engage in the manufacture of grain processing equipment and provide ancillary product offerings. Our manufacturing facilities have been equipped with technology such as laser cutting machines, CNC turning and milling centres, CNC turret punching machines, and robotic welding machines. The machinery available at our manufacturing facilities enable us in undertaking various engineering activities through computer numerical controls, and other automated technology.

We own all the machinery that is required for the manufacture of our equipment, thereby allowing us the opportunity to utilise each of our machines at their respective optimal levels. Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. In June 2018, we concluded the expansion of the Jigani Unit and KIADB Unit II, by increasing the built-up area of these units by an additional 14,002.35 sq. ft. and 12,500 sq. ft., respectively.

Strong focus on research and development, leading to successful commercialization of innovative products

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative new products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven new trademarks, five patents, 12 designs, 28 copyrights, and renewal of the registration of one trademark. We believe that the changing needs of our customer base has contributed in providing our research and development team with various learning opportunities. This, in turn, has enabled us in developing a customised range of innovative product offerings.

With a view to enhance our focus on the entire value chain of the agro-processing industry, our research and development team has invested time into developing equipment to process grain by-products. These equipment, which are currently being developed in the pilot phase, include silica extractors and cogeneration plants. While silica extractors assist our customers in extracting silica, a by-product of rice husk having various industrial uses including in pulp and processing, detergent and soaps, rubber reinforcement (tyres), and plastic reinforcement, co-generation plants enable our customers to reduce their expenditure on purchase of power from third party sources. We have filed a patent application with the Office of the Controller General of Patents, Designs and

Trademarks for the purposes of registering a patent in respect of our invention of the silica extractor. Our application for registration of the abovementioned patent is pending as on the date of this Draft Red Herring Prospectus.

We have invested in technology in order to enable innovations in our manufacturing processes, as well as in order to integrate our systems and processes through the SAP system. This integration enables us to streamline our operational and administrative functions and improve efficiency. The adoption of technology in our manufacturing process has allowed us to ensure that our manufacturing process is commensurate with global standards and practices.

Extensive sales network backed by a robust after-sales team

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. We believe that our wide network of domestic and international sales and distribution channels, coupled with our robust team of customer-grievance professionals who redress customer grievances in a timely manner, gives us an edge over our competitors. We are also backed by an after-sales service network of 111 employees. Additionally, our agents also have sales and after-sales personnel who engage with our customers to provide sales and after-sales services.

Personnel from our after-sales service network typically respond to customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers. Our marketing strategies focused on the expansion of our dealer and sales network, while maintaining a robust service team to redress customer grievances. We have implemented marketing programmes with a view to tap into new markets, expand footprint, deepen presence in existing markets, and put in place a demand generation engine. Our initiatives have enabled our sales personnel to establish a strong relationship with our customers, improve our understanding of customer requirements, enhance brand recall, and build knowledge of prevailing market conditions.

We focus on expanding our sales network to meet the demands of customers on a pan-India basis. As on March 31, 2018, our Company had an aggregate dealer network of 57 dealers in India and overseas, against a dealer network of 37 dealers as on March 31, 2016 in India and overseas. Our dealership network is also represented by a team of sales personnel who are engaged by our dealers. These sales personnel have been instrumental in establishing an interface between our Company and our end customers. As on March 31, 2018, our Company had a sales and distribution force of 34 employees and 57 agents, against a sales force of 27 employees and 37 agents as on March 31, 2016. Our after-sales and service network grew to 111 employees as on March 31, 2018, against 96 employees as on March 31, 2016. We have also established a separate team comprising of eight employees as on March 31, 2018 to cater to the sales and marketing of our non-rice processing equipment, as on March 31, 2018.

Product and market diversification protects our Company from risks associated with poor agricultural seasons in different parts of the country.

Effective and efficient business model, resulting in track record of operating and financial performance and growth

We have an effective and efficient business model which has been achieved by focusing on lean manufacturing and process optimization. We are also backward integrated and rely on a select group of suppliers for procurement of raw materials required to manufacture our equipment. This initiative has helped us in improving our operational efficiency, and has significantly contributed towards cost savings, whilst improving our profit margins. Our effective and efficient business model has resulted in strengthening our operating and financial performance in the following manner:

- Historically, we have been successful in controlling our costs and working capital requirements and have been successful in ensuring low borrowings from banks and financial institutions. As on March 31, 2018, we had a sanctioned secured borrowing of ₹135.00 million, and an outstanding amount of ₹11.40 million. For details, see "*Financial Indebtedness*" on page 383. As of Fiscal 2018, Fiscal 2017, and Fiscal 2016, our net working capital was ₹465.80 million, ₹313.74 million, and ₹262.91 million, respectively.

- Our operations have been expanded while ensuring a non-dilutive growth of our Company. Apart from a preferential allotment carried out by our Company in Fiscal 2002 increasing our Company's paid-up capital to ₹1.00 million, no allotment of Equity Shares has been made by our Company on account of infusion of equity. For details, see "*Capital Structure – Share Capital History of our Company*" on page 86.

- We have implemented a lean working capital cycle by controlling our costs and working capital requirements. This apart, our strategy of receiving advance fees and shipment charges from our customers and securing our receivables through letters of credit or bank guarantees issued in our favour by our customers has ensured that we maintain optimal cash flows. For Fiscal 2018, Fiscal 2017, and Fiscal 2016, our cash flows from operating activities amounted to ₹235.05 million, ₹352.32 million, and ₹215.22 million, respectively.

- Our operating and financial performance has resulted in a growth in our EBITDA. For Fiscal 2018, Fiscal 2017, and Fiscal 2016, our EBITDA was ₹500.25 million, ₹354.24 million, and ₹320.47 million, respectively. We have also been successful in maintaining a robust RoCE and RoE of 81.00% and 31.25% in Fiscal 2018, respectively.

Experienced and qualified management team with strong execution track record

We have an experienced and dedicated team of Key Management Personnel, with significant experience in the milling industry. Two of our Promoters, Rajendran Joghee and Ravindranath Ramaiah, are technocrats with over 25 years of individual experience in the agriculture processing industry. Our Promoters Rajendran Joghee and Ravindranath Ramaiah have brought to our Company vision and management, which we believe has been instrumental to our success. For details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 186. Our Company is also supported by an experienced management team, including our Chief Executive Officer, Rajan Aggarwal, who has over 30 years of industry experience, and our Chief Financial Officer, Ganapathy Subramaniam, who has over 35 years of experience. For details, see "*Our Management – Key Management Personnel*" on page 196.

Our team of Key Management Personnel are involved in our day to day management, growth objectives, and strategic initiatives. We believe that due to their understanding of industry trends, demands, and market changes, our Key Management Personnel have been able to scale our operating capabilities and take advantage of market opportunities over time.

OUR STRATEGIES

We remain passionately committed to deliver customer-driven innovative solutions to save process loss and maintain standards of hygiene in the food processing and allied industries, by adopting qualitative practices. To this end, we also intend on building longstanding and successful relationships with our customers.

We aim to achieve the above mission and grow our business by pursuing the following strategies:

Deepening our presence in the rice processing segment by expansion of product range

As part of our rice processing solutions, we currently offer a wide array of equipment for activities such as parboiling, milling, sorting, and grading. About 50% of the machinery forming part of the processing equipment portfolio in India comprises parboiling and drying equipment (*Source*: CRISIL Report). We have leveraged the technological advances made by our research and development department to improve our existing equipment range, as well as the equipment range obtained by us upon on our acquisition of Sunshine. As a part of our initiative to focus on the sale of rice processing equipment, we intend on enhancing our focus on developing parboiling and drying products which meet global standards, through our inhouse team of research and development professionals, whilst ensuring competitive pricing to ensure that we have access to a wide pool of customers. The market for our boilers and parboiling and drying equipment is growing, having enabled us to earn a revenue of ₹107.41 million in Fiscal 2018, and ₹48.66 million in Fiscal 2017.

Colour sorters comprise an emerging market with a low installed base compared with the more evolved milling equipment segment, suggesting low penetration (*Source*: CRISIL Report). However, rising demand for branded grains, and improvement in quality of products is expected to result in a rapid growth in the demand for this equipment. While we offer entry level and mid-range colour sorters to our customers to meet market demands, we propose to introduce high-end colour sorters as well. The growth in the market's requirement for colour sorters is clearly evidenced in the growing demand for our colour-sorting equipment, which has generated a revenue of ₹515.50 million in Fiscal 2018, and ₹353.00 million in Fiscal 2017.

Diversification of product offerings

We propose to expand our range of equipment offerings under the pulses, seeds, maize, and wheat processing categories. This apart, we propose to offer new product categories to facilitate activities such as storage of grains through silos. We also intend to encourage the usage of colour sorters and other equipment among non-rice category mills, thereby providing us with avenues to explore new food processing segments, including soya and other coarse grains.

We also propose to focus on our ancillary product offerings such as silica extractors and co-generation plants. While silica extractors assist our customers in extracting silica, a by-product of rice husk having various industrial uses including in pulp and processing, detergent and soaps, rubber reinforcement (tyres), and plastic reinforcement, co-generation plants enable our customers to reduce their expenditure on purchase of power from third party sources. We believe that these products will add to the profitability of our customers, apart from providing them with alternative and environment friendly solutions.

It is also expected that the increasing consumer demand for branded food grains across categories will facilitate a steady growth in the industry's requirement for equipment such as colour sorters, and other important milling equipment. Technological advancements have also improved returns on investments for millers, thereby encouraging them to increasingly opt for the mechanization of their mills.

Expansion of geographical footprint

Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. We sold our equipment to 1,556, 1,429 and 1,175 customers in Fiscal 2018, Fiscal 2017 and Fiscal 2016, respectively, of which 833, 768 and 644 were new customers. Moreover, we continue to grow our global footprint with exports to African countries such as Nigeria as well as countries such as the Germany, Indonesia, Iran, Myanmar, Netherlands, the Philippines and the United Kingdom. Apart from these exports, we also have installations of fully-equipped plants in countries such as Bangladesh, Pakistan, Nepal, Sri Lanka, and Thailand. We believe that the strategic presence of our manufacturing facilities, as well as the pan-India and global presence of our distribution and sales network has contributed in establishing an effective and efficient business model, contributing towards our consistent operational performance and growth.

Our distribution and sales network is mapped across 19 states in India. Apart from a domestic distribution and sales network, we also have an established overseas distribution and sales network with partners located in seven countries and have succeeded in making deliveries to a total of 17 countries as of March 31, 2018. We have been successful in establishing a diversified geographic presence. Our revenue from sales in the southern region of India constituted 36.80% of our revenue from operations in Fiscal 2018 as compared to 32.14% of our revenue from operations in Fiscal 2016. Similarly, our revenue from sales in the central region of India constituted 21.36% of our revenue from operations in Fiscal 2018 as compared to 24.24% of our revenue from operations in Fiscal 2016. Our revenue from sales in the north and north eastern region of India constituted 25.37% of our revenue from operations in Fiscal 2018 as compared to 28.85% of our revenue from operations in Fiscal 2016.

To address the growing demand for grain processing equipment, and to cater to a global audience despite the seasonality of the agricultural sector, we propose to expand our global distribution and sales network over the next few years. Through our marketing strategy, we aim to focus on the major rice and food-grain producing states of India. We have specific equipment catering to the differing requirements of our customers, in terms of pricing, quality, as well as durability. Further, our marketing initiatives have enabled us to directly sell our equipment to food grain millers, and utilise the advantages posed by geographical diversification.

Facilitate equipment financing for our customers

We propose to tap into underpenetrated agricultural belts across urban and rural India, apart from expanding our international footprint into countries that heavily rely on the production and consumption of rice and other agricultural products, including, but not limited to, wheat, maize, and pulses. With a view to offer our equipment at affordable rates to a market that has been underpenetrated, we have, in the past, liaised with various banks and financial institutions. Through these collaborations, we offer attractive financing products to assist customers in purchasing agriculture processing equipment manufactured by our Company.

As part of our growth strategy, we propose to liaise with additional banks and financial institutions and working with them to provide our pool of agriculture centric customers with viable financing options for purchase of our products.

Pursue inorganic growth through acquisitions

We aim to continue to be one of the most preferred brand in the milling segment in India and grow our existing market share. Towards this end, we propose to expand our operations inorganically through strategic acquisitions of entities primarily engaged in businesses similar to ours. Every opportunity for expansion is viewed against the background of various factors such as the spending capacity of target customers, catchment area, availability of a local dealer and sales network, market penetration, expected investment, financial returns, and local competition.

In the past, we have been successful in acquiring and integrating established businesses with ours. For instance, in July 2016, we successfully acquired and integrated the business of Sunshine. This acquisition has enabled us to backward integrate our operations and strengthen our value chain. We also intend to continue to explore such business opportunities, including through inorganic acquisitions, and foraying into new product verticals, depending on market conditions and emerging business opportunities. This would enable us to expand our equipment range.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information of our Company. The summary financial information presented below has been prepared for Fiscal 2018, Fiscal 2017, and Fiscal 2016 taking Ind AS as the base, and for Fiscal 2015 and Fiscal 2014 taking Indian GAAP as the base as well as the Companies Act, and restated in accordance with the SEBI ICDR Regulations, and are presented in the section "Financial Statements" on page 207.

The summary financial information presented below should be read in conjunction with the Restated Financial Information, and notes thereto, and "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 207 and 363, respectively.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	306.40	328.75	357.31
(b) Capital work-in-progress	5.76	-	2.07
(c) Investment property	0.24	0.24	0.24
(d) Intangible assets - Goodwill	17.97	17.97	-
(e) Other Intangible assets	29.67	37.73	10.12
(f) Financial Assets			
(i) Other investments	1.24	1.24	1.24
(ii) Other financial assets	21.98	4.10	5.49
(g) Deferred tax assets (net)	36.13	37.41	34.31
(h) Other non-current assets	171.64	72.77	58.35
Total Non - Current Assets	**591.03**	**500.21**	**469.13**
Current assets			
(a) Inventories	341.81	325.34	312.49
(b) Financial assets			
(i) Other investments	357.51	255.26	35.80
(ii) Trade receivables	606.81	468.40	403.63
(iii) Cash and bank balances	48.58	90.00	138.02
(iv) Other financial assets	20.86	12.63	12.02
(c) Other current assets	28.99	18.21	27.06
Total current assets	**1,404.56**	**1,169.84**	**929.02**
Total assets	**1,995.59**	**1,670.05**	**1,398.15**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	30.61	30.61	30.61
(b) Other equity	1,033.32	786.54	590.88
Equity attributable to the owners of the company	**1,063.93**	**817.15**	**621.49**
Non Controlling interest	(39.81)	(37.62)	(26.79)
Total Equity	**1,024.12**	**779.53**	**594.70**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9.47	11.47	119.88
(ii) Other financial liabilities	0.19	0.19	0.19
(b) Provisions	23.05	18.27	12.14
(c) Other non-current liabilities	-	4.49	5.13
Total Non - Current Liabilities	**32.71**	**34.42**	**137.34**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	640.30	543.56	415.26
(ii) Other financial liabilities	25.39	116.78	126.87
(b) Provisions	93.15	85.41	60.57
(c) Other current liabilities	179.92	110.35	63.41
Total Current Liabilities	**938.76**	**856.10**	**666.11**
Total Liabilities	**971.47**	**890.52**	**803.45**
Total Equity and Liabilities	**1,995.59**	**1,670.05**	**1,398.15**

RESTATED CONSOLIDATED SUMMARY OF STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Revenue from Operations	2,661.39	2,208.77	1,844.68
Other Income	31.75	22.67	17.67
Total Income	**2,693.14**	**2,231.44**	**1,862.35**
Expenses			
Cost of materials consumed	1,492.20	1,289.62	1,057.13
Changes in inventories of work-in-progress, semi-finished goods and finished goods	(21.48)	(46.93)	(55.34)
Employee benefits expense	266.03	241.86	218.07
Finance costs	2.10	19.69	36.34
Depreciation and amortisation expense	47.87	45.12	40.73
Other expenses	456.14	392.65	322.02
Total expenses	**2,242.86**	**1,942.01**	**1,618.95**
Restated profit before tax	**450.28**	**289.43**	**243.40**
Tax expense			
(1) Current tax	159.02	107.80	101.00
(2) Deferred tax	0.41	(3.20)	(31.62)
	159.43	104.60	69.38
Restated profit for the year	**290.85**	**184.83**	**174.02**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Gain / (loss) on remeasurements of defined benefit plans	2.52	0.10	6.12
(b) Deferred tax on remeasurements of the defined benefit plan	(0.87)	(0.10)	(2.00)
Restated total other comprehensive income	**1.65**	**-**	**4.12**
Restated total comprehensive income for the year	**292.50**	**184.83**	**178.14**
Restated profit for the year attributable to:			
- Owners of the company	293.04	195.57	181.54
- Non-Controlling interest	(2.19)	(10.74)	(7.52)
Other Comprehensive Income attributable to:			
- Owners of the company	1.65	0.09	3.97
- Non-Controlling interest	-	(0.09)	0.15
Restated total comprehensive income for the year attributable to:			
- Owners of the company	294.69	195.66	185.51
- Non-Controlling interest	(2.19)	(10.83)	(7.37)
	292.50	**184.83**	**178.14**
Earnings per equity share (par value of Rs 10 each)			
- Basic	**95.73**	**63.89**	**59.30**
- Diluted	**95.73**	**63.89**	**59.30**

RESTATED CONSOLIDATED SUMMARY OF STATEMENT OF CASH FLOWS

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016 (Proforma)	
A. Cash flows from operating activities						
Restated Profit before tax		**450.28**		**289.43**		**243.40**
Adjustments for:						
Depreciation and amortisation expenses		47.87		45.12		40.73
(Gain) / Loss on disposal of property, plant and equipment		(0.09)		-		-
Finance costs		2.1		19.69		36.34
Allowance for bad, doubtful trade receivable and statutory forms receivable		3.89		26.30		2.32
Provision no longer required written back		(10.10)		-		-
Dividend Income		(8.75)		(8.96)		(1.23)
Interest Income		(3.52)		(5.91)		(7.78)
Gain on disposal of subsidiary		(0.09)		-		-
Rental Income		-		-		(0.23)
Government grant income		(4.49)		(0.64)		-
Net unrealized foreign exchange (gain) / loss		11.84		3.19		8.66
Cash flows from operating activities before working capital changes		**488.94**		**368.22**		**322.21**
Adjustments for working capital changes						
Adjustments for (increase)/ decrease in operating assets						
Trade Receivables	(143.99)		(81.65)		(128.51)	
Inventories	(16.47)		(11.38)		(42.55)	
Other assets	(107.58)		(7.91)		(1.06)	
Adjustments for Increase /(decrease) in operating liabilities						
Trade Payables	88.89		121.24		114.35	
Other liabilities	69.09		44.21		11.10	
Provisions	12.30		10.26		2.69	
		(97.76)		**74.77**		**(43.98)**
Cash flows from operating activities		**391.18**		**442.99**		**278.23**
Direct taxes paid (net of refunds)		(156.13)		(90.67)		(63.01)
Net cash flows generated from operating activities (A)		**235.05**		**352.32**		**215.22**
B. Cash flows generated / (used-in) from investing activities						
Payments made on purchase of Property, Plant and Equipment, Capital work-in-progress and Intangibles assets	(35.36)		(9.03)		(40.04)	
Gain on disposal of Property, Plant and Equipment	0.09		-		-	
Gain on disposal of subsidiary	0.09		-		-	
Proceeds from sale of Investment made in other than subsidiaries	662.50		591.00		155.61	
Investment made in other than subsidiaries	(764.75)		(810.46)		(166.11)	
Cash outflow on account of acquisition of business	(22.48)		(30.03)		-	
(Increase) / Decrease in bank balances not considered as cash and cash equivalents	(5.86)		60.71		(65.47)	
Dividend income received	8.75		8.96		1.23	
Rent received	-		0.04		0.19	
Interest income received	3.47		7.12		6.80	
Net Cash flows (used-in) investing activities (B)		**(153.55)**		**(181.69)**		**(107.79)**
C. Cash flows generated / (used-in) from Financing activities						
Proceeds from long-term borrowings	-		-		7.50	
Repayment of long-term borrowings	(61.91)		(137.00)		(81.85)	
Interest paid	(2.82)		(20.94)		(36.40)	
Dividend paid including dividend tax paid	(47.91)		-		-	
Net Cash flows (used-in) financing activities (C)		**(112.64)**		**(157.94)**		**(110.75)**
Net increase in cash and cash equivalents (A+B+C)		(31.14)		12.69		(3.32)
Cash and cash equivalents at the beginning of the year		45.63		32.94		36.26
Cash and cash equivalents at the end of the year		**14.49**		**45.63**		**32.94**
Reconciliation of Cash and cash equivalents as defined in Ind AS 7						
Cash and bank balances		48.58		90.00		138.02
Less: Bank balance not considered as Cash and cash equivalents as defined in Ind AS 7 Cash flow statement						
1) in earmarked accounts						
- Balance held as margin money against guarantees		34.09		44.37		105.08
Net Cash and cash equivalents		**14.49**		**45.63**		**32.94**
Cash and cash equivalents at the end of the year		**14.49**		**45.63**		**32.94**

Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2017	Proceeds	Repayment	As at March 31, 2018
Long-term borrowings (including current maturities of long-term debt)	73.31	-	(61.91)	11.40
Total liabilities from financing activities	**73.31**	**-**	**(61.91)**	**11.40**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	30.61	30.00
Reserves and surplus	384.03	218.39
Total (A)	**414.64**	**248.39**
Minority interest (B)	-	-
Non-current liabilities		
Long-term borrowings	197.50	265.74
Other long-term liabilities	-	33.90
Long-term provisions	5.47	3.12
Total (C)	**202.97**	**302.76**
Current liabilities		
Trade payables	292.68	253.99
Other current liabilities	180.45	197.92
Short-term provisions	32.96	13.85
Total (D)	**506.09**	**465.76**
TOTAL E=(A + B + C+D)	**1,123.70**	**1,016.91**
II. ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	334.79	305.72
Intangible assets	7.68	0.17
Capital work-in-progress	2.07	8.45
Non-current investments	1.24	1.24
Deferred tax assets (net)	8.45	7.80
Long-term loans and advances	63.31	72.81
Other Non current assets	0.95	-
Total (F)	**418.49**	**396.19**
Current assets		
Current investments	25.30	4.31
Inventories	272.52	236.27
Trade receivables	278.56	287.48
Cash and cash equivalents	84.65	80.05
Short-term loans and advances	43.22	10.86
Other current assets	0.96	1.75
Total (G)	**705.21**	**620.72**
TOTAL H=(F+G)	**1,123.70**	**1,016.91**

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
REVENUE		
Revenue from operations (gross)	1,728.04	1,878.15
Less: Excise duty	-	-
Revenue from operations (net) (A)	**1,728.04**	**1,878.15**
Other Income (B)	17.30	13.49
Total revenue C = (A + B)	**1,745.34**	**1,891.64**
EXPENSES		
Cost of material consumed	972.84	916.30
Purchase of stock-in-trade	13.56	4.47
Changes in inventories of work-in-progress and semi-finished goods	(85.44)	25.15
Employee benefits expense	204.96	177.06
Finance costs	50.29	53.75
Depreciation and amortisation expense	36.15	26.51
Other expenses	289.60	362.27
Total expenses (D)	**1,481.96**	**1,565.51**
Restated profit before tax E = (C-D)	**263.38**	**326.13**
TAX EXPENSE		
Current tax	91.45	132.50
Deferred tax	(0.65)	(7.04)
Net tax expense (F)	**90.80**	**125.46**
Restated profit for the year G = (E - F)	**172.58**	**200.67**
Add: Share of losses attributed to minority shareholders (H)	-	-
Profit for the year attributable to the shareholders of the Company I = (G-H)	**172.58**	**200.67**
Earnings per share (Rs.10/- each):		
Basic	56.99	66.89
Diluted	56.99	66.40

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flow from operating activities		
Restated profit before tax	**263.38**	**326.13**
Adjustment for		
Depreciation and amortisation expense	36.15	26.51
Loss on fixed assets sold / scrapped	0.01	3.25
Bad trade receivables, loans and advances written off	0.16	3.50
Finance costs	47.90	51.73
Provision for doubtful trade receivables	2.32	0.21
Preliminary expenses written off	0.26	1.40
Interest income	(2.72)	(0.52)
Dividend income	(0.60)	(6.41)
Profit on sale of fixed assets	-	(0.03)
Unrealised exchange fluctuation (net)	9.29	4.80
Operating profit before working capital changes	**356.15**	**410.57**
Adjustments for working capital changes		
Inventories	(36.26)	16.18
Trade receivables	(4.50)	19.46
Loans and advance and other assets	(13.32)	2.86
Trade payables and other liabilities	10.89	71.00
Cash generated from operations	**312.96**	**520.07**
Direct taxes paid (net of refunds)	(76.20)	(160.66)
Net cash flows generated from operating activities	**236.76**	**359.41**
Cash flow from investing activities		
Purchase of fixed assets	(63.90)	(38.58)
Proceeds from sale of fixed assets	-	1.11
Redemption / (investment) of / in mutual funds and other investments	(20.99)	324.87
Investments made	(0.10)	(695.61)
Deposit placed	(39.53)	0.08
Interest received	1.97	0.11
Dividend received	0.60	6.41
Net Cash flows (used-in) investing activities	**(121.95)**	**(401.61)**
Cash flow from financing activities		
Long-term borrowings availed during the year	-	350.00
Long-term borrowings repaid during the year	(61.80)	(2.50)
Interest paid	(48.82)	(49.14)
Dividends paid including dividend tax	(39.22)	(230.32)
Net cash provided by financing activities	**(149.84)**	**68.04**
Net increase in cash and cash equivalents	**(35.03)**	**25.84**
Cash and cash equivalents as at the beginning of the year	79.97	51.89
Add: Acquired on amalgamation	0.10	2.40
Less: Not considered as cash and cash equivalents	-	(0.08)
Cash and cash equivalents at the end of the year	**45.04**	**80.05**

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	300.61	322.76	350.57
(b) Capital work in progress	5.76		
(c) Investment Property	1.52	1.52	1.52
(d) Goodwill	17.97	17.97	-
(e) Other Intangible assets	29.68	37.74	10.13
(f) Financial Assets			
(i) Investments in Subsidiaries	-	0.10	0.10
(ii) Other investments	1.24	1.24	1.24
(iii) Other financial assets	21.97	4.10	3.01
(g) Deferred tax assets (net)	36.13	37.41	34.31
(h) Other non-current assets	171.06	72.27	57.82
Total Non - Current Assets	**585.94**	**495.11**	**458.70**
Current assets			
(a) Inventories	340.72	323.72	293.00
(b) Financial assets			
(i) Other investments	357.51	255.26	35.80
(ii) Trade receivables	606.78	492.01	406.19
(iii) Cash and bank balances	46.04	51.93	110.82
(iv) Other financial assets	21.30	12.63	14.34
(c) Other current assets	28.99	18.21	26.72
Total current assets	**1,401.34**	**1,153.76**	**886.87**
Total assets	**1,987.28**	**1,648.87**	**1,345.57**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	30.61	30.61	30.61
(b) Other equity	1,042.15	783.76	578.06
Total Equity	**1,072.76**	**814.37**	**608.67**
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	9.47	11.47	119.88
(ii) Other financial liabilities	1.57	1.57	1.57
(b) Provisions	22.74	17.63	11.38
(c) Other non-current liabilities	-	4.49	5.13
Total Non - Current Liabilities	**33.78**	**35.16**	**137.96**
Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	586.30	492.49	354.36
(ii) Other financial liabilities	24.88	115.99	125.44
(b) Provisions	92.02	84.17	60.07
(c) Other current liabilities	177.54	106.69	59.07
Total Current Liabilities	**880.74**	**799.34**	**598.94**
Total Liabilities	**914.52**	**834.50**	**736.90**
Total Equity and Liabilities	**1,987.28**	**1,648.87**	**1,345.57**

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Revenue from Operations	2,652.89	2,202.42	1,771.07
Other Income	29.16	20.40	18.46
Total Income	**2,682.05**	**2,222.82**	**1,789.53**
Expenses			
Cost of materials consumed	1,489.19	1,276.70	1,051.09
Changes in inventories of work-in-progress and semi-finished goods	(22.01)	(53.83)	(102.73)
Employee benefits expenses	262.22	235.73	207.59
Finance Costs	2.10	19.50	34.85
Depreciation and amortisation expense	47.18	44.28	39.90
Other expenses	448.30	387.10	298.67
Total expenses	**2,226.98**	**1,909.48**	**1,529.37**
Restated profit before exceptional items and tax	**455.07**	**313.34**	**260.16**
Exceptional items	**9.01**	**(3.24)**	**(56.64)**
Restated profit before tax	**464.08**	**310.10**	**203.52**
Tax expense			
(1) Current tax	159.02	107.80	101.00
(2) Deferred tax	0.41	(3.20)	(31.62)
	159.43	104.60	69.38
Restated profit for the year	**304.65**	**205.50**	**134.14**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(a) Gain / (loss) on remeasurements of defined benefit plans	2.52	0.30	5.78
(b) Tax on remeasurements of the defined benefit plan	(0.87)	(0.10)	(2.00)
Restated total other comprehensive income	**1.65**	**0.20**	**3.78**
Restated total comprehensive income for the year	**306.30**	**205.70**	**137.92**
Earnings per equity share (par value of Rs 10 each)			
- Basic	99.52	67.13	43.82
- Diluted	99.52	67.13	43.82

RESTATED STANDALONE SUMMARY OF STATEMENT OF CASH FLOWS

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016 (Proforma)	
A. Cash flows from operating activities						
Restated Profit before tax		464.08		310.10		203.52
Adjustments for:						
Depreciation and amortization expenses		47.18		44.28		39.90
Gain on disposal of property plant and equipment		(0.09)		-		-
Finance costs		2.1		19.5		34.85
Bad debts and allowance for doubtful trade receivable and statutory forms receivable		3.89		23.01		5.18
Allowance made/(written back) for loans to related parties (including interest accrued)		(9.01)		3.24		56.64
Provision no longer required written back		(6.99)		-		-
Dividend Income		(8.75)		(8.96)		(1.23)
Interest Income		(4.15)		(7.66)		(8.15)
Rental Income		-		-		(0.86)
Government grant income		(4.49)		(0.64)		-
Net unrealized foreign exchange (gain) / loss		4.03		7.18		(0.05)
Cash flows from operating activities before working capital changes		**487.80**		**390.05**		**329.80**
Adjustments for working capital changes						
Adjustments for (increase)/ decrease in operating assets						
Trade Receivables	(120.35)		(100.26)		(131.75)	
Inventories	(17.00)		(29.25)		(92.66)	
Other assets	(98.77)		(11.65)		(3.13)	
Adjustments for Increase /(decrease) in operating liabilities						
Trade Payables	91.47		127.08		177.52	
Other liabilities	69.85		45.52		12.17	
Provisions	12.74		10.69		2.32	
		(62.06)		**42.13**		**(35.53)**
Cash flows from operating activities before taxes paid		**425.74**		**432.18**		**294.27**
Direct taxes paid (net of refunds)		(156.28)		(90.70)		(62.66)
Net cash flows generated from operating activities (A)		**269.46**		**341.48**		**231.61**
B. Cash flows generated / (used-in) from investing activities						
Payments made on purchase of property plant and equipment, capital work-in-progress and intangibles	(34.87)		(11.01)		(39.85)	
Gain on disposal of property plant and equipment	0.09		-		-	
Proceeds from sale of Investments in Subsidiaries	0.10		-		-	
Investment made in subsidiaries	-		-		(0.10)	
Cash outflow on account of acquisition of business	(22.48)		(30.03)		-	
Proceeds from sale of Investment made in other than subsidiaries	662.50		591.00		155.61	
Investment made in other than subsidiaries	(764.75)		(810.46)		(166.11)	
(Increase) / Decrease in bank balances not considered as cash and cash equivalents	(5.86)		36.98		(81.35)	
Dividend income received	8.75		8.96		1.23	
Rent received	-		0.04		0.82	
Interest income received	4.10		8.87		7.17	
Net Cash flows (used-in) investing activities (B)		**(152.42)**		**(205.65)**		**(122.58)**
C. Cash flows from Financing activities						
Proceeds from issue of shares	-		-		-	
Proceeds from long-term borrowings	-		-		7.50	
Repayment of long-term borrowings	(61.92)		(136.99)		(81.85)	
Interest paid	(2.82)		(20.75)		(34.91)	
Dividend paid including dividend distribution tax paid	(47.91)		-		-	
Net Cash flows (used-in) financing activities (C)		**(112.65)**		**(157.74)**		**(109.26)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		4.39		(21.91)		(0.23)
Cash and cash equivalents at the beginning of the year		7.56		29.47		29.70
Cash and cash equivalents at the end of the year		**11.95**		**7.56**		**29.47**
Reconciliation of Cash and cash equivalents as defined in Ind AS 7						
Cash and bank balances		46.04		51.93		110.82
Less: Bank balance not considered as Cash and cash equivalents as defined in Ind AS 7 Cash flow statement						
1) in earmarked accounts						
- Balance held as margin money against guarantees		34.09		44.37		81.35
Net Cash and cash equivalents		**11.95**		**7.56**		**29.47**
Cash and cash equivalents at the end of the year		**11.95**		**7.56**		**29.47**

Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2017	Proceeds	Repayment	As at March 31, 2018
Long-term borrowings (including current maturities of long-term debt)	73.32	-	(61.92)	11.40
Total liabilities from financing activities	**73.32**	**-**	**(61.92)**	**11.40**

RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

Particulars	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	30.61	30.00
Reserves and surplus	437.16	268.37
Total (A)	**467.77**	**298.37**
Non-current liabilities		
Long-term borrowings	197.50	265.74
Other long-term liabilities	1.57	35.27
Long-term provisions	4.66	2.61
Total (B)	**203.73**	**303.62**
Current liabilities		
Trade payables	176.20	191.24
Other current liabilities	170.17	192.67
Short-term provisions	31.89	13.81
Total (C)	**378.26**	**397.72**
TOTAL D=(A + B + C)	**1,049.76**	**999.71**
II. ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	328.73	299.08
Intangible assets	7.69	0.16
Capital work-in-progress	-	8.45
Non-current investments	12.34	12.24
Deferred tax assets (net)	8.45	7.80
Long-term loans and advances	101.39	102.74
Other non- current assets	15.89	11.33
Total (E)	**474.49**	**441.80**
Current assets		
Current investments	25.30	4.31
Inventories	200.35	206.74
Trade receivables	278.94	272.60
Cash and cash equivalents	29.70	63.72
Short-term loans and advances	40.02	8.79
Other current assets	0.96	1.75
Total (F)	**575.27**	**557.91**
TOTAL G=(E+F)	**1,049.76**	**999.71**

RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
REVENUE		
Revenue from operations (gross)	1,621.90	1,829.69
Less: Excise duty	-	-
Revenue from operations (net) (A)	**1,621.90**	**1,829.69**
Other Income (B)	12.42	18.37
Total revenue C = (A + B)	**1,634.32**	**1,848.06**
EXPENSES		
Cost of materials consumed	837.21	885.40
Purchase of stock-in-trade	13.56	4.47
Changes in inventories of work-in-progress and semi-finished goods	(41.64)	17.01
Employee benefits expense	197.76	170.03
Finance costs	49.10	52.47
Depreciation and amortisation expense	35.17	25.45
Other expenses	277.28	343.48
Total expenses (D)	**1,368.44**	**1,498.31**
Restated profit before tax E = (C-D)	**265.88**	**349.75**
TAX EXPENSE		
Current tax	90.80	132.50
Deferred tax	(0.65)	(6.90)
Net tax expense (F)	**90.15**	**125.60**
Restated profit for the year G = (E - F)	**175.73**	**224.15**
Earnings per share (Rs.10/- each):		
Basic	58.03	74.72
Diluted	58.03	73.48

RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flows from operating activities		
Restated profit before tax	**265.88**	**349.75**
Adjustment for		
Depreciation and amortisation expense	35.17	25.45
Loss on fixed assets sold / scrapped	-	3.25
Bad trade receivables, loans and advances written off	-	3.14
Finance costs	46.71	50.45
Provision for doubtful trade receivables	2.32	0.04
Preliminary expenses written off	-	0.17
Interest income	(5.32)	(4.03)
Dividend income	(0.60)	(6.41)
Profit on sale of fixed assets	-	(0.03)
Rental income from land given on lease	(1.50)	(1.50)
Net unrealised exchange (gain)/loss	0.65	-
Operating profit before working capital changes	**343.31**	**420.28**
Adjustments for working capital changes		
Inventories	6.39	(6.20)
Trade receivables	(8.26)	16.39
Loans and advances and other assets	(35.22)	6.33
Trade payables and other liabilities	(38.69)	72.02
Cash generated from operations	**267.53**	**508.82**
Direct taxes paid (net of refunds)	(72.63)	(160.66)
Net cash flows generated from operating activities	**194.90**	**348.16**
Cash flows from investing activities		
Purchase of fixed assets	(61.47)	(38.50)
Sale proceeds of fixed assets	-	1.07
Redemption of mutual funds and other investments	-	324.87
Investments made in subsidiaries	(0.10)	(695.60)
Investments made in other than subsidiaries	(20.99)	-
Interest received	0.95	-
Dividend received	0.60	6.41
Deposits matured/(placed)	0.08	0.08
Rent received	1.76	1.38
Net Cash flows (used-in) investing activities	**(79.17)**	**(400.29)**
Cash flows from financing activities		
Long-term borrowings availed during the year	-	350.00
Long-term borrowings repaid during the year	(61.80)	(2.50)
Interest paid	(47.64)	(47.50)
Dividends paid including dividend tax	(40.23)	(230.32)
Net Cash flows generated/ (used-in) from financing activities	**(149.67)**	**69.68**
Net increase in cash and cash equivalents	**(33.94)**	**17.55**
Cash and cash equivalents as at the beginning of the year	63.64	43.85
Add: Acquired consequent to amalgamation	-	2.40
Less: Not considered as cash and cash equivalents	-	(0.08)
Cash and cash equivalents at the end of the year	**29.70**	**63.72**

THE OFFER

The following table summarizes the details of the Offer:

Equity Shares offered	
Offer of Equity Shares	Up to 3,751,499 Equity Shares, aggregating up to ₹[●] million
of which:	
Offer for Sale(1)	Up to 3,751,499 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholders
of which:	
A) QIB Portion(2)(3)	1,875,750 Equity Shares
of which:	
(i) Anchor Investor Portion	Up to 1,125,450 Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) ("**Net QIB Portion**")	Up to 750,300 Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	At least 37,515 Equity Shares
(b) Balance for all QIBs including Mutual Funds	712,785 Equity Shares
B) Non-Institutional Portion(3)	Not less than 562,724 Equity Shares
C) Retail Portion(3)	Not less than 1,313,025 Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	10,004,000 Equity Shares
Equity Shares outstanding after the Offer	10,004,000 Equity Shares
Use of proceeds of the Offer	As the Offer is an offer for sale, our Company will not receive any proceeds from the Offer. For details, see "*Objects of the Offer*" on page 104.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For details, see "*Offer Procedure*" on page 412.

(1) *Our Board has authorised the Offer for Sale by way of its resolution dated April 5, 2018. The Offer for Sale has been authorised by the Selling Shareholders as follows:*

Sr. No.	Selling Shareholders	Number of Offered Shares	Date of Consent
1.	*Multiples India*	*573,304*	*June 28, 2018*
2.	*Multiples Mauritius*	*1,677,596*	*June 28, 2018*
3.	*Rajendran Joghee*	*606,125*	*June 25, 2018*
4.	*Ravindranath Ramaiah*	*606,125*	*June 25, 2018*
5.	*Manjula Rajendran*	*144,175*	*June 25, 2018*
6.	*Uma Rachappa*	*144,174*	*June 25, 2018*

The Selling Shareholders, severally and not jointly, confirm that their respective proportion of the Offered Shares, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI or have been issued or received in accordance with Regulation 26(6) of the SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations.

(2) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 37,515 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the*

QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 412.

(3) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories.*

GENERAL INFORMATION

Our Company was originally incorporated as MILLTEC Machinery Private Limited on August 28, 1998 at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on March 21, 2018, in the name of MILLTEC Machinery Limited. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters – Brief History of our Company*" and "*History and Certain Corporate Matters – Changes in Registered Office*" on page 174.

For details of the business of our Company, see "*Our Business*" on page 155.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

MILLTEC Machinery Limited
51/A, 1st Phase
KIADB Industrial Area
Bommasandra
Bengaluru – 560 099
Karnataka, India
Tel: +91 80 2801 6666 / + 91 80 2783 1128
Fax: +91 80 2783 1129
E-mail: investorrelations@milltecmachinery.com
Website: www.milltecmachinery.com

Corporate Identity Number: U85110KA1998PLC024139

Registration Number: 024139

ADDRESS OF THE ROC

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

Registrar of Companies, Bangalore
Kendriya Sadan, 2nd Floor
E – Wing, Koramangala
Bengaluru – 560 034
Karnataka, India

BOARD OF DIRECTORS

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

Name	Designation	DIN	Address
Rajendran Joghee	Chairman and Wholetime Director	02505486	#A-251, Prestige Ozone Varthur Road, Whitefield Bengaluru – 560 066 Karnataka, India
Ravindranath Ramaiah	Managing Director	00212085	# 253, Prestige Ozone Varthur Road, Whitefield Bengaluru – 560 066 Karnataka, India
Sridhar Sankararaman	Nominee, Non-Independent and Non-Executive Director	06794418	# F-1302, Raj Legacy LBS Marg, Vikhroli West Mumbai – 400 083 Maharashtra, India
Prakash Kulathu Iyer	Non-Independent and Non-Executive Director	00529591	C1902, One North Hadapsar Pune – 411 028 Maharashtra, India

Name	Designation	DIN	Address
Prabhakar Tadepalli	Non-Executive, Independent Director	01429520	#E24, Chaithanya Smaran Whitefield Hoskote Road Kannamangala Bengaluru – 560 067 Karnataka, India
Rajasekhara Reddy	Non-Executive, Independent Director	02339668	#12 and #13, 5th Main Siddivinayaka Layout Kodigehalli, Virupakshapura Bengaluru – 560 097 Karnataka, India
Nirupama Vellore Ganapathy	Non-Executive, Independent Director	01881276	#901, 2K Cross, 9th Main 1st Block, HRBR Layout Bengaluru – 560 043 Karnataka, India
Saravanan Arumugam	Non-Executive, Independent Director	07773627	S114, Chaitanya Smaran Whitefiled, Hoskote Road Kannamangala Post Office Bengaluru – 560 067 Karnataka, India

For further details of our Directors, see "*Our Management – Board of Directors*" on page 183.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Kavita Manta
MILLTEC Machinery Limited
51/A, 1st Phase
KIADB Industrial Area
Bommasandra
Bengaluru – 560 099
Karnataka, India
Tel: +91 80 2801 6633
Fax: +91 80 2783 1129
E-mail: investorrelations@milltechmachinery.com

INVESTOR GRIEVANCES

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

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

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

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

Book Running Lead Managers	
Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Parel ST Depot, Prabhadevi	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West)

Book Running Lead Managers

Mumbai – 400 025
Maharashtra, India
Tel: +91 22 3846 5541
Fax: +91 22 3980 4315
E-mail: milltec.ipo@motilaloswal.com
Investor Grievance E-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Keyur Desai / Kristina Dias
SEBI Registration No: INM000011005

Mumbai - 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: milltec.ipo@iiflcap.com
Investor Grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact person: Nishita Mody / Anant Gupta
SEBI Registration No.: INM000010940

Syndicate Members

[●]

Legal Counsel to the Offer

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

Statutory Auditors to our Company

Deloitte Haskins & Sells, Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru – 560 001
Karnataka, India
Tel: +91 80 6188 6000
Fax: +91 80 6188 6011
E-mail: skoushik@deloitte.com
Firm registration number: 008072S
Peer review number: 008781

Registrar to the Offer

Link Intime India Private Limited
C – 101, 247 Park
L B S Marg, Vikhroli West
Mumbai – 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: milltec.ipo@linkintime.co.in
Investor Grievance E-mail: milltec.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Escrow Collection Banks

[●]

Refund Bankers

[●]

Public Offer Account Bank

[●]

Bankers to our Company

State Bank of India
26/A, Phase I
Electronic City
Bengaluru – 560 100
Karnataka, India
Tel: +91 80 2852 8641

Fax: +91 80 2852 0002
E-mail: sbi.09044@sbi.co.in
Contact Person: Naresh Kumar

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and as updated from time to time. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time.

Registered Brokers

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

RTAs

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

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

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

Our Company has received written consent dated June 30, 2018, from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under the SEBI ICDR Regulations in this Draft Red Herring Prospectus, and as an "Expert", with the term having the meaning ascribed to it under Section 2(38) of the Companies Act, 2013. Such consent has been provided in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Information and Restated Consolidated Financial Information, each dated June 29, 2018, and the statement of tax benefits dated June 29, 2018, included in this Draft Red Herring Prospectus, and has not been withdrawn as on the date of this Draft Red Herring Prospectus. It is clarified that the term "Expert" shall not be construed to mean an "expert" as defined under the provisions of the Securities Act.

Monitoring Agency

Since the Offer is an offer for sale, our Company will not receive any proceeds from the Offer, and accordingly, is not required to appoint a monitoring agency for the Offer.

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Appraising Entity

No appraising agency has been appointed in respect of any project of our Company.

Credit Rating

As this is an offer of Equity Shares, credit rating is not required for the Offer.

Trustee(s)

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

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

Sr. No.	Activity	Responsibility	Coordinator
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Motilal, IIFL	Motilal
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of offer documents including memorandum containing salient features of the offer documents. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the offer documents and RoC filing, follow up and coordination till final approval from all regulatory authorities.	Motilal, IIFL	Motilal
3.	Co-ordinating for all statutory advertisements and other publicity material, including non-statutory / corporate advertisement and brochures, etc., and filing of media compliance report with SEBI	Motilal, IIFL	Motilal
4.	Appointment of intermediaries, namely, the Registrar, the advertising agency, Bankers to the Offer, printers, etc., including coordinating all agreements to be entered with such parties.	Motilal, IIFL	Motilal
5.	International Institutional Marketing of the Issue, which will cover, *inter alia*: ▪ International Institutional Marketing strategy; ▪ Finalising the list for division of investors for meetings; and ▪ Finalizing international road show and investor meeting schedules	Motilal, IIFL	IIFL
6.	Domestic Institutional Marketing of the Issue, which will cover, *inter alia*: ▪ Domestic Institutional Marketing strategy; ▪ Finalising the list for division of investors for meetings; ▪ Finalizing domestic road show schedules and investor meeting schedules; and ▪ Preparation of road show presentation and FAQs	Motilal, IIFL	Motilal
7.	Non-Institutional and retail marketing of the Offer, which will include, *inter alia*, formulating marketing strategies, preparation of publicity budget, finalizing media and public relations strategy, finalizing centres for holding conferences for press and brokers, deciding on the quantum of issue material and following-up on distribution of publicity and issue material including forms, prospectuses, etc.	Motilal, IIFL	IIFL

Sr. No.	Activity	Responsibility	Coordinator
8.	Co-ordination with Stock Exchanges for book building software, Bidding terminals and mock trading and intimation to stock exchanges for anchor portion etc. and deposit of 1% security deposit.	Motilal, IIFL	IIFL
9.	Managing the book and finalization of pricing, in consultation with the Company.	Motilal, IIFL	Motilal
10.	The post Bidding activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post-Offer activities for the Offer involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar and Bankers to the Offer, SCSBs and the bank(s) handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholders. The BRLMS shall also be responsible for payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer.	Motilal, IIFL	IIFL

BOOK BUILDING PROCESS

The Offer is being undertaken in accordance with Rule 19(2)(b) of the SCRR, as amended, in compliance with Regulation 26(1) and Regulation 41 of the SEBI ICDR Regulations. The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper, and [●] editions of the Kannada newspaper (Kannada being the regional language of Karnataka where our Registered and Corporate Office is located), each with wide circulation, at least five working days prior to the Bid / Offer Opening Date. The Offer Price is finalised after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

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

The Offer is being made through the Book Building Process in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allotted on a proportionate basis to QIBs, of which 5% (excluding Anchor Investor Portion) shall be reserved for allocation on a proportionate basis to Mutual Funds only. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds, only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹100.00 million.

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

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

All potential Bidders, other than Anchor Investors, shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. The Selling Shareholders confirm they will comply with the SEBI ICDR Regulations, and any other directions issued by SEBI, as applicable, to the portion of their respective Equity Shares offered in the Offer for Sale. The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer. For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on page 410 and page 412. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process*" on page 443.

UNDERWRITING AGREEMENT

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

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

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

The abovementioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and actual allocation and subject to the provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations, and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price
A.	**AUTHORIZED SHARE CAPITAL**		
	15,000,000 Equity Shares	150,000,000	
	TOTAL	**150,000,000**	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	10,004,000 Equity Shares	100,040,000	
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	3,751,499 Equity Shares aggregating to ₹[●] million of which		
	Offer for Sale of up to 3,751,499 Equity Shares aggregating to ₹[●] million(2)	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	10,004,000 Equity Shares	100,040,000	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	NIL	
	After the Offer	[●]	

(1) For details of the authorisation letters received from the Selling Shareholders for the Offer for Sale, see "The Offer" on page 76. The Equity Shares being offered by the Selling Shareholders have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer.

NOTES TO THE CAPITAL STRUCTURE

1. CHANGES IN AUTHORISED SHARE CAPITAL OF OUR COMPANY

Sr. No.	Date of Shareholders' resolution / order of the High Court	Details of changes in the Authorised Share Capital
1.	September 30, 2003	Initial authorised capital of ₹1,000,000 divided into 100,000 Equity Shares was increased to ₹5,000,000 divided into 500,000 Equity Shares.
2.	March 10, 2008	Authorised share capital of ₹5,000,000 divided into 500,000 Equity Shares was increased to ₹20,000,000 divided into 2,000,000 Equity Shares.
3.	March 25, 2009	Authorised share capital of ₹20,000,000 divided into 2,000,000 Equity Shares was increased to ₹30,000,000 divided into 3,000,000 Equity Shares.
4.	May 24, 2013	Authorised share capital of ₹30,000,000 divided into 3,000,000 Equity Shares was increased to ₹31,000,000 divided into 3,100,000 Equity Shares.
5.	April 8, 2014	Authorised share capital of ₹31,000,000 divided into 3,100,000 Equity Shares was increased to ₹61,000,000 divided into 6,100,000 Equity Shares(1).
6.	April 20, 2018	Authorised share capital of ₹61,000,000 divided into 6,100,000 Equity Shares was increased to ₹100,000,000 divided into 10,000,000 Equity Shares.
7.	June 15, 2018	Authorised share capital of ₹100,000,000 divided into 10,000,000 Equity Shares was increased to ₹150,000,000 divided into 15,000,000 Equity Shares.

(1) This increase in our Company's authorised share capital was on account of the scheme of amalgamation among our Company, MIPL, and MOPL, sanctioned by an order passed by High Court of Karnataka at Bengaluru on April 8, 2014. For details, see "History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations" on page 181.

2. SHARE CAPITAL HISTORY OF OUR COMPANY

(a) The history of the Equity Share capital of our Company is set out in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid-up Equity Share Capital (₹)
August 28, 1998	400	10	10	Cash	Initial subscription to MoA(1)	400	4,000
September 5, 2001	99,600	10	10	Cash	Preferential allotment(2)	100,000	1,000,000
September 30, 2003	100,000	10	-	NA	Bonus issue (3)	200,000	2,000,000
October 1, 2005	300,000	10	-	NA	Bonus issue (4)	500,000	5,000,000
March 15, 2008	500,000	10	-	NA	Bonus issue (5)	1,000,000	10,000,000
March 25, 2009	2,000,000	10	-	NA	Bonus issue (6)	3,000,000	30,000,000
October 14, 2014	61,224	10	-	Other than cash	Allotment as part consideration for purchase of equity shares(7)	3,061,224	30,612,240
June 22, 2018	6,942,776	10	-	NA	Bonus issue (8)	10,004,000	100,040,000

(1) 100 Equity Shares were allotted to V Ramanaiah, 100 Equity Shares were allotted to VGN Prakash, 100 Equity Shares were allotted to Rajendran Joghee, and 100 Equity Shares were allotted to Ravindranath Ramaiah.

(2) 19,900 Equity Shares were allotted to VGN Prakash, 19,900 Equity Shares were allotted to Ravindranath Ramaiah, 19,900 Equity Shares were allotted to Rajendran Joghee, 19,900 Equity Shares were allotted to V Ramanaiah, 5,000 Equity Shares were allotted to B A Gayathri Devi, 5,000 Equity Shares were allotted to Jyothi Rani, 5,000 Equity Shares were allotted to Manjula Rajendran, and 5,000 Equity Shares were allotted to Uma Rachappa.

(3) Bonus issue in the ratio of one Equity Shares for every one Equity Shares to the then existing Shareholders, authorised by way of a resolution passed by the Shareholders at the AGM held on September 30, 2003. 20,000 Equity Shares were allotted to V G N Prakash, 20,000 Equity Shares were allotted to Ravindranath Ramaiah, 20,000 Equity Shares were allotted to Rajendran Joghee, 20,000 Equity Shares were allotted to V Ramanaiah, 5,000 Equity Shares were allotted to B A Gayathri Devi, 5,000 Equity Shares were allotted to Jyothi Rani, 5,000 Equity Shares were allotted to Manjula Rajendran, and 5,000 Equity Shares were allotted to Uma Rachappa.

(4) Bonus issue in the ratio of three Equity Shares for every two Equity Shares to the then existing Shareholders, authorised by way of a resolution passed by the Shareholders at the EGM held on September 30, 2005. 60,000 Equity Shares were allotted to V G N Prakash, 60,000 Equity Shares were allotted to Ravindranath Ramaiah, 60,000 Equity Shares were allotted to Rajendran Joghee, 60,000 Equity Shares were allotted to V Ramanaiah, 15,000 Equity Shares were allotted to B A Gayathri Devi, 15,000 Equity Shares were allotted to Jyothi Rani, 15,000 Equity Shares were allotted to Manjula Rajendran, and 15,000 Equity Shares were allotted to Uma Rachappa.

(5) Bonus issue in the ratio of one Equity Shares for every one Equity Shares to the then existing Shareholders, authorised by way of a resolution passed by the Shareholders at the EGM held on March 10, 2008. 100,000 Equity Shares were allotted to V G N Prakash, 100,000 Equity Shares were allotted to Ravindranath Ramaiah, 100,000 Equity Shares were allotted to Rajendran Joghee, 100,000 Equity Shares were allotted to V Ramanaiah, 25,000 Equity Shares were allotted to B A Gayathri Devi, 25,000 Equity Shares were allotted to Jyothi Rani, 25,000 Equity Shares were allotted to Manjula Rajendran, and 25,000 Equity Shares were allotted to Uma Rachappa.

(6) Bonus issue in the ratio of two Equity Shares for every one Equity Shares to the then existing Shareholders, authorised by way of a resolution passed by the Shareholders at the EGM held on March 25, 2009. 400,000 Equity Shares were allotted to V G N Prakash, 400,000 Equity Shares were allotted to Ravindranath Ramaiah, 400,000 Equity Shares were allotted to Rajendran Joghee, 400,000 Equity Shares were allotted to V Ramanaiah, 100,000 Equity Shares were allotted to B A Gayathri Devi,100,000 Equity Shares were allotted to Jyothi Rani, 100,000 Equity Shares were allotted to Manjula Rajendran, and 100,000 Equity Shares were allotted to Uma Rachappa.

(7) Allotment of Equity Shares pursuant to the terms of the share purchase agreement dated May 15, 2013, executed among MIPL, MOPL, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and our Company. In accordance with the terms of the abovementioned agreement, our Company purchased 500,000 equity shares of MIPL held by Rajendran Joghee and Ravindranath Ramaiah for a consideration consisting of a payment of ₹25.00 million and allotment of 30,612 Equity Shares to Rajendran Joghee and Ravindranath Ramaiah, respectively. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

(8) Bonus issue in the ratio of 347 Equity Shares for every 153 Equity Shares to the Shareholders, authorised by way of a resolution passed by the Shareholders at the AGM held on June 15, 2018. 2,147,397 Equity Shares were allotted to Multiples Mauritius, 733,855 Equity Shares were allotted to Multiples India, 1,430,212 Equity Shares were allotted to Rajendran Joghee, 1,430,212 Equity Shares were allotted to Ravindranath Ramaiah, 340,196 Equity Shares were allotted to Manjula Rajendran, 340,194 Equity Shares were allotted to Uma Rachappa, 260,354 Equity Shares were allotted to Ashish Kacholia, 260,354 Equity Shares were allotted to Bengal Finance & Investment Private Limited, and 2 Equity Shares were allotted to Rohit Ravindranath.

(b) Except as disclosed below, our Company has not issued any Equity Shares at a price lower than the Offer Price for a period of one year preceding the date of this Draft Red Herring Prospectus:

Name of the Allottee	Date of Allotment	Number of equity shares	Issue Price (₹)	Reason
Multiples Mauritius	June 22, 2018	2,147,397	-	Bonus issue in the ratio 347:153[1]
Multiples India		733,855		
Rajendran Joghee		1,430,212		
Ravindranath Ramaiah		1,430,212		
Manjula Rajendran		340,196		
Uma Rachappa		340,194		
Ashish Kacholia		260,354		
Bengal Finance & Investment Private Limited		260,354		
Rohit Ravindranath		2		

(1) Authorized by way of a Shareholders resolution passed at the AGM held on June 15, 2018.

(c) As on the date of filing this Draft Red Herring Prospectus, our Company does not have any Preference Shares.

3. ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

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

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
September 30, 2003	20,000	VGN Prakash	10	-	Bonus issue in the ratio 1:1[1]	-
	20,000	Ravindranath Ramaiah				
	20,000	Rajendran Joghee				
	20,000	V Ramanaiah				
	5,000	B A Gayathri				
	5,000	Jyothi Rani				
	5,000	Manjula Rajendran				
	5,000	Uma Rachappa				
October 1, 2005	60,000	Ravindranath Ramaiah	10	-	Bonus issue in the ratio 3:2[2]	-
	60,000	Rajendran Joghee				
	60,000	VGN Prakash				
	60,000	V Ramanaiah				
	15,000	B A Gayathri				
	15,000	Manjula Rajendran				
	15,000	Uma Rachappa				

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
	15,000	Jyothi Rani				
March 15, 2008	100,000	VGN Prakash	10	-	Bonus issue in the ratio 1:1(3)	-
	100,000	Ravindranath Ramaiah				
	100,000	Rajendran Joghee				
	100,000	V Ramanaiah				
	25,000	B A Gayathri				
	25,000	Jyothi Rani				
	25,000	Manjula Rajendran				
	25,000	Uma Rachappa				
March 25, 2009	400,000	VGN Prakash	10	-	Bonus issue in the ratio 2:1(4)	-
	400,000	Ravindranath Ramaiah				
	400,000	Rajendran Joghee				
	400,000	V Ramanaiah				
	100,000	B A Gayathri				
	100,000	Jyothi Rani				
	100,000	Manjula Rajendran				
	100,000	Uma Rachappa				
October 14, 2014	30,612	Ravindranath Ramaiah	10	-	Pursuant to the terms of the share purchase agreement dated May 15, 2013, executed by and among our Company, MIPL, MOPL, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, and Uma Rachappa(5)	MIPL became a subsidiary of our Company. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements*" on page 179
	30,612	Rajendran Joghee				
June 22, 2018	2,147,397	Multiples Mauritius	10	-	Bonus issue in the ratio 347:153(6)	-
	733,855	Multiples India				

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
	1,430,212	Ravindranath Ramaiah				
	1,430,212	Rajendran Joghee				
	340,196	Manjula Rajendran				
	340,194	Uma Rachappa				
	260,354	Ashish Kacholia				
	260,354	Bengal Finance & Investment Private Limited				
	2	Rohit Ravindranath				

(1) Authorized by way of a Shareholders resolution passed at the AGM held on September 30, 2003.

(2) Authorised by way of a Shareholders resolution passed at the EGM held on September 30, 2005.

(3) Authorised by way of a Shareholders resolution passed at the EGM held on March 10, 2008.

(4) Authorised by way of a Shareholders resolution passed at the EGM held on March 25, 2009.

(5) Allotment of Equity Shares pursuant to the share purchase agreement dated May 15, 2013, executed by and among MIPL, MOPL, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and our Company. In accordance with the terms of the abovementioned agreement, 30,612 Equity Shares were allotted to Ravindranath Ramaiah, and 30,612 Equity Shares were allotted to Rajendran Joghee, in their capacity as shareholders of MIPL as a part of the consideration for the purchase of equity shares of MIPL. The Equity Shares were allotted on the basis of a valuation certificate dated November 13, 2014, issued by Sriramulu Naidu & Co., Chartered Accountants, which valued the Equity Shares at ₹553.82 each. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

(6) Authorized by way of a Shareholders resolution passed at the AGM held on June 15, 2018.

4. HISTORY OF THE EQUITY SHARE CAPITAL HELD BY OUR PROMOTERS, PROMOTERS' CONTRIBUTION AND LOCK-IN

As on the date of this Draft Red Herring Prospectus, our Promoters hold 5,102,037 Equity Shares, equivalent to 51.00% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set out in the tables below:

(i) Rajendran Joghee

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
August 28, 1998	Initial subscription to MOA	100	Cash	10	10	*Negligible*	*Negligible*
September 5, 2001	Preferential allotment	19,900	Cash	10	10	0.20	0.20
September 30, 2003	Bonus issue	20,000	NA	10	-	0.20	0.20
October 1, 2005	Bonus issue	60,000	NA	10	-	0.60	0.60

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
March 15, 2008	Bonus issue	100,000	NA	10	-	1.00	1.00
March 25, 2009	Bonus issue	400,000	NA	10	-	4.00	4.00
October 14, 2014	Allotment of Equity Shares pursuant to the terms of the share purchase agreement dated May 15, 2013, executed among MIPL, MOPL, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and our Company	30,612	Other than cash	10	-	0.31	0.31
June 22, 2018	Bonus issue	1,430,212	NA	10	-	14.30	14.30
TOTAL		**2,060,824**				20.60	20.60

(ii) Ravindranath Ramaiah

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
August 28, 1998	Initial subscription to MOA	100	Cash	10	10	*Negligible*	*Negligible*
September 5, 2001	Preferential allotment	19,900	Cash	10	10	0.20	0.20
September 30, 2003	Bonus issue	20,000	NA	10	-	0.20	0.20
October 1, 2005	Bonus issue	60,000	NA	10	-	0.60	0.60
March 15, 2008	Bonus issue	100,000	NA	10	-	1.00	1.00
March 25, 2009	Bonus issue	400,000	NA	10	-	4.00	4.00
October 14, 2014	Allotment of Equity Shares pursuant to the terms of the share purchase agreement dated May 15, 2013, executed among MIPL, MOPL, Rajendran Joghee,	30,612	Other than cash	10	-	0.31	0.31

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
	Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and our Company						
June 22, 2018	Bonus issue	1,430,212	NA	10	-	14.30	14.30
TOTAL		**2,060,824**				20.60	20.60

(iii) Manjula Rajendran

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 5, 2001	Preferential allotment	5,000	Cash	10	10	0.05	0.05
September 30, 2003	Bonus issue	5,000	NA	10	-	0.05	0.05
October 1, 2005	Bonus issue	15,000	NA	10	-	0.15	0.15
March 15, 2008	Bonus issue	25,000	NA	10	-	0.25	0.25
March 25, 2009	Bonus issue	100,000	NA	10	-	1.00	1.00
June 22, 2018	Bonus issue	340,196	NA	10	-	3.40	3.40
TOTAL		**490,196**				4.90	4.90

(iv) Uma Rachappa

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 5, 2001	Preferential allotment	5,000	Cash	10	10	0.05	0.05
September 30, 2003	Bonus issue	5,000	NA	10	-	0.05	0.05
October 1, 2005	Bonus issue	15,000	NA	10	-	0.15	0.15
March 15, 2008	Bonus issue	25,000	NA	10	-	0.25	0.25
March 25, 2009	Bonus issue	100,000	NA	10	-	1.00	1.00
February 7, 2018	Transfer [(1)]	(1)	Cash	10	3,500	*Negligible*	*Negligible*
June 22, 2018	Bonus issue	340,194	NA	10	-	3.40	3.40
TOTAL		**490,193**				4.90	4.90

(1) Transfer of one Equity Share to Rohit Ravindranath on February 7, 2018.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

(b) Shareholding of our Promoters and Promoter Group

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

Name of the Shareholder	Total Equity Shares	Percentage (%) of pre-Offer capital
Promoters		
Rajendran Joghee	2,060,824	20.60
Ravindranath Ramaiah	2,060,824	20.60
Manjula Rajendran	490,196	4.90
Uma Rachappa	490,193	4.90
Total Holding of the Promoters (A)	5,102,037	51.00
Promoter Group		
Rohit Ravindranath	3	*Negligible*
Total holding of the Promoter Group (other than Promoter) (B)	3	*Negligible*
Total Holding of Promoters and Promoter Group (A+B)	**5,102,040**	51.00

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

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

(ii) As on the date of this Draft Red Herring Prospectus, our Promoters, Rajendran Joghee, Ravindranath Ramaiah, Manjula Rajendran, and Uma Rachappa, together hold 5,102,037 Equity Shares, out of which up to 606,125 Equity Shares held by Rajendran Joghee, up to 606,125 Equity Shares held by Ravindranath Ramaiah, up to 144,175 Equity Shares held by Manjula Rajendran, and up to 144,174 Equity Shares held by Uma Rachappa, respectively, will be offered under the Offer for Sale.

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

Name of the Promoter	Date of allotment of the Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue / acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)
Rajendran Joghee	June 22, 2018	June 22, 2018	Bonus issue	1,430,212	10	-	808,123	8.08
Ravindranath Ramaiah	June 22, 2018	June 22, 2018	Bonus issue	1,430,212	10	-	808,123	8.08
Manjula Rajendran	June 22, 2018	June 22, 2018	Bonus issue	340,196	10	-	192,277	1.92
Uma Rachappa	June 22, 2018	June 22, 2018	Bonus issue	340,194	10	-	192,277	1.92
TOTAL							2,000,800	20.00

(iv) Our Promoters, pursuant to their letters each dated June 28, 2018, have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution, and have agreed not to sell, transfer, charge, pledge, or otherwise encumber in any manner, the Promoters' Contribution from the date of filing this Draft

Red Herring Prospectus until completion of the lock-in period specified above, or for such other time, as required under the SEBI ICDR Regulations.

(v) As on the date of this Draft Red Herring Prospectus, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

(vi) The minimum Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from the person defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.

(vii) In connection with this, we confirm the following:

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

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

- All the Equity Shares held by the Promoters are in dematerialized form; and

- The Equity Shares forming part of the Promoters' contribution are not pledged with any creditor.

(d) Other lock-in requirements:

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, except the Equity Shares being offered by the Selling Shareholders in the Offer as part of the Offer for Sale, will be locked-in for a period of one year from the date of Allotment. However, if Equity Shares which are offered by the Selling Shareholders in the Offer as part of the Offer for Sale remain unsold, such unsold Equity Shares will also be locked-in for a period of one year from the date of Allotment. It is clarified that pursuant to Regulation 37(b) of the SEBI ICDR Regulations, the Equity Shares held by Multiples India will be exempt from a lock-in, as Multiples India is a Category II Alternative Investment Fund. However, the Equity Shares allotted to Multiples India pursuant to the bonus issue of Equity Share on June 22, 2018 shall also be subject to lock-in for a period of one year from the date of Allotment, if they remain unsold as part of the Offer.

(ii) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period continues.

(iii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of the loan.

(iv) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(v) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(vi) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

5. **HISTORY OF THE EQUITY SHARE CAPITAL HELD BY THE SELLING SHAREHOLDERS**

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 9,253,697 Equity Shares, equivalent to 92.50% of the issued, subscribed and paid-up Equity Share capital of our Company. The build-up of the equity shareholding of the Selling Shareholders since incorporation of our Company is given below:

a) Rajendran Joghee

For details regarding the build-up of the shareholding of Rajendran Joghee, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company – Rajendran Joghee*" on page 90.

b) Ravindranath Ramaiah

For details regarding the build-up of the shareholding of Ravindranath Ramaiah, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company – Ravindranath Ramaiah*" on page 91.

c) Manjula Rajendran

For details regarding the build-up of the shareholding of Manjula Rajendran, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company – Manjula Rajendran*" on page 92.

d) Uma Rachappa

For details regarding the build-up of the shareholding of Uma Rachappa, see "*Capital Structure – Build-up of our Promoters' shareholding in our Company – Uma Rachappa*" on page 92.

e) Multiples India

Date of allotment / Transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
June 5, 2013	Transfer (1)	382,050	Cash	10	1,180	3.82	3.82

Date of allotment / Transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
May 31, 2018	Transfer(2)	(58,477)	Cash	10	2,286.67	0.58	0.58
June 22, 2018	Bonus issue	733,855	NA	10	-	7.33	7.53
TOTAL		**1,057,428**				10.57	10.57

(1) Pursuant to a share purchase agreement dated May 15, 2013, executed by and among our Company, Multiples India, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, V Ramanaiah, Gayathri Devi, VGN Prakash, and Jyothi Rani, 152,820 Equity Shares held by V Ramanaiah, 152,280 Equity Shares held by VGN Prakash, 38,205 Equity Shares held by Gayathri Devi, and 38,205 Equity Shares held by Jyothi Rani were transferred to Multiples India. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

(2) Pursuant to a share purchase agreement dated May 28, 2018, executed by and among our Company, Multiples India, Multiples Mauritius, and Bengal Finance & Investment Private Limited, 58,477 Equity Shares held by Multiples India was transferred to Bengal Finance & Investment Private Limited. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

f) Multiples Mauritius

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Shar (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
June 5, 2013	Transfer (1)	1,117,950	Cash	10	1,180	11.18	11.18
May 31, 2018	Transfer(2)	(114,796)	Cash	10	2,286.67	1.15	1.15
May 31, 2018	Transfer(3)	(56,319)	Cash	10	2,286.67	0.56	0.56
June 22, 2018	Bonus issue	2,147,397	NA	10	-	21.46	21.56
TOTAL		**3,094,232**				30.93	30.93

(1) Pursuant to the share purchase agreement dated May 15, 2013, executed by and among our Company, Multiples Mauritius, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, V Ramanaiah, Gayathri Devi, VGN Prakash, and Jyothi Rani, 447,180 Equity Shares held by V Ramanaiah, 447,180 Equity Shares held by VGN Prakash, 111,795 Equity Shares held by Gayathri Devi, and 111,795 Equity Shares held by Jyothi Rani were transferred to Multiples Mauritius. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

(2) Pursuant to the share purchase agreement dated May 28, 2018, executed by and among our Company, Multiples Mauritius, and Ashish Kacholia, 114,796 Equity Shares held by Multiples Mauritius were transferred to Ashish Kacholia. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

(3) Pursuant to a share purchase agreement dated May 28, 2018, executed by and among our Company, Multiples India, Multiples Mauritius, and Bengal Finance & Investment Private Limited, 56,319 Equity Shares held by Multiples Mauritius were transferred to Bengal Finance & Investment Private Limited. For details, see "History and Certain Corporate Matters – Summary of Key Agreements" on page 179.

6. SHAREHOLDING PATTERN OF OUR COMPANY

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights									
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters & Promoter Group	5	5,102,040	-	-	5,102,040	51.00	5,102,040	5,102,040	51.00	-	51.00		-		-	5,102,040
(B)	Public	4	4,901,960	-	-	4,901,960	49.00	4,901,960	4,901,960	49.00	-	49.00		-		-	4,901,960
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	9	10,004,000	-	-	10,004,000	100.00	10,004,000	10,004,000	100.00	-	100.00		-		-	10,004,000

7. **LIST OF TOP 10 SHAREHOLDERS OF THE COMPANY**

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

(a) ***The top 10 Shareholders and details of their shareholding, as on the date of filing of this Draft Red Herring Prospectus are as follows***:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage (%)
1.	Multiples Mauritius	3,094,232	30.93
2.	Rajendran Joghee	2,060,824	20.60
3.	Ravindranath Ramaiah	2,060,824	20.60
4.	Multiples India	1,057,428	10.57
5.	Manjula Rajendran	490,196	4.90
6.	Uma Rachappa	490,193	4.90
7.	Ashish Kacholia	375,150	3.75
8.	Bengal Finance & Investment Private Limited	375,150	3.75
9.	Rohit Ravindranath	3	*Negligible*
TOTAL		1,0004,000	100.00

(b) ***The top 10 Shareholders and details of their shareholding, 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows***:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage (%)
1.	Multiples Mauritius	946,835	30.93
2.	Rajendran Joghee	630,612	20.60
3.	Ravindranath Ramaiah	630,612	20.60
4.	Multiples India	323,573	10.57
5.	Manjula Rajendran	150,000	4.90
6.	Uma Rachappa	149,999	4.90
7.	Ashish Kacholia	114,796	3.75
8.	Bengal Finance & Investment Private Limited	114,796	3.75
9.	Rohit Ravindranath	1	*Negligible*
TOTAL		3,061,224	100.00

(c) ***The top 10 Shareholders and details of their shareholding, two years prior to the date of filing of this Draft Red Herring Prospectus are as follows***:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Multiples Mauritius	1,117,950	36.52
2.	Rajendran Joghee	630,612	20.60
3.	Ravindranath Ramaiah	630,612	20.60
4.	Multiples India	382,050	12.48
5.	Manjula Rajendran	150,000	4.90
6.	Uma Rachappa	150,000	4.90
TOTAL		3,061,224	100.00

8. **DETAILS OF EQUITY SHARES HELD BY THE DIRECTORS AND KEY MANAGEMENT PERSONNEL OF OUR COMPANY**

(a) Set out below are details of the Equity Shares held by our Directors in our Company as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Rajendran Joghee	2,060,824	20.60	20.60
2.	Ravindranath Ramaiah	2,060,824	20.60	20.60

(b) Except for Rajendran Joghee and Ravindranath Ramaiah, none of our Key Management Personnel hold Equity Shares in our Company. For details, see "*Our Management – Shareholding of Directors in our Company*" on page 187.

9. As on the date of this Draft Red Herring Prospectus, the BRLMs and their associates (as per the Companies Act, 2013) do not hold any Equity Shares in our Company.

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

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

12. 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 are Allotted Equity Shares.

13. **EMPLOYEE STOCK OPTIONS AND EMPLOYEE STOCK APPRECIATION RIGHTS**

Pursuant to resolutions adopted by our Board and Shareholders on June 14, 2018 and June 15, 2018, respectively, our Company has instituted the "Milltec Machinery Limited – Employee Stock Option Plan 2018" ("**ESOP 2018**"), and the "Milltec Machinery Limited – Employee Stock Appreciation Rights Plan 2018" ("**ESAR 2018**"). ESOP 2018 has been instituted to grant stock options exercisable into Equity Shares to eligible employees of our Company and Subsidiary, and ESAR 2018 has been instituted to grant stock appreciation rights exercisable into Equity Shares to eligible employees of our Company and Subsidiary. In terms of ESOP 2018 and ESAR 2018, grants to eligible employees will be made by the Nomination and Remuneration Committee, based on the determination of a criteria described under ESOP 2018 and ESAR 2018, respectively.

ESOP 2018 and ESAR 2018 have been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

ESOP 2018

The Shareholders, through their resolution dated June 15, 2018, have approved a maximum of 50,000 options, exercisable into 50,000 Equity Shares under ESOP 2018. The vesting period under ESOP 2018 shall be a minimum of one year and a maximum of five years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee. As on the date of this Draft Red Herring Prospectus, our Company has not granted any options under ESOP 2018. However, our Company may grant options under ESOP 2018 during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until listing of the Equity Shares on the Stock Exchanges pursuant to this Offer. Each option granted under ESOP 2018 is exercisable into one Equity Share.

ESAR 2018

ESAR 2018 is an equity settled stock appreciation rights scheme and the Shareholders, through their resolution dated June 15, 2018, have approved a maximum of 250,000 Equity Shares to be issued under ESAR 2018, upon exercise of SARs granted under ESAR 2018. The vesting period under ESAR 2018 shall be a minimum of one year and a maximum of five years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee.

As on the date of this Draft Red Herring Prospectus, our Company has granted 164,688 SARs under ESAR 2018. Our Company may grant further SARs to eligible employees under ESAR 2018 during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until listing of the Equity Shares on the Stock Exchanges pursuant to this Offer. As mentioned above, ESAR 2018 is an equity settled scheme, wherein, the value of stock appreciation that the employees are entitled to, in respect of SARs granted to them, will be settled in the form of Equity Shares upon exercise of SARs by such employees based on the fair market value / market price, as the case may be, per Equity Share on the date of exercise. Accordingly, the exact number of Equity Shares that the outstanding SARs will result into upon exercise cannot be determined at present.

The following table sets forth particulars of stock appreciation rights granted under ESAR 2018:

Particulars	Details
Total SARs granted	164,688
Vesting period	Not earlier than one year and not later than five years from the date of grant. In respect of the SARs that have been granted by the Company as on the date of this Draft Red Herring Prospectus, the vesting schedule set out in the letter of grant shall prevail
Base price	The fair market value per Equity Share as on the grant date of the SARs, or any other price determined by the Nomination and Remuneration Committee at the time of the grant
Exercise price of SARs in ₹ (as on the date of grant of the SARs)	Upon exercise, vested SARs shall be settled by way of allotment of Equity Shares by the Company. The number of Equity Shares to be allotted shall be determined using the following formula: The value of appreciation of each SAR will be multiplied with the total number of SARs exercised by the grantee. The resulting amount will then be divided by the fair market value / market price of the Equity Shares on the date of exercise
Exercise period	Three years
Total SARs vested (excluding the SARs that have been exercised)	NIL
SARs exercised	NIL
Total number of Equity Shares arising as a result of exercise of granted SARs (including SARs that have been exercised)	The value of stock appreciation that the employees are entitled to, in respect of SARs granted to them, will be settled in the form of Equity Shares upon exercise of SARs by such employees based on the fair market value / market price, as the case may be, per Equity Share on the date of exercise
SARs forfeited / lapsed / cancelled	NIL
Variation of terms of SARs	NIL
Money realised by exercise of SARs	NIL
Total number of SARs outstanding in force	164,688
Employee wise details of SARs granted to:	
Directors / senior management personnel	See note (1)
Any other employee who receives a grant in any one year of SARs amounting to 5% or more of the SARs granted during the year	See note (2)
Identified employees who were granted SARs during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant	See note (3)
Lock-in	NA
Where the Company has calculated the employee compensation cost using the intrinsic value of SARs, difference, if any, between employee compensation cost calculated according using the intrinsic value of SARs and the employee compensation cost calculated on the basis of fair value of SARs and impact of this difference on the profits of the Company and on the earnings per Equity Share of the Company	NA
Weighted average exercise price and the weighted average fair value of the SARs whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Method and significant assumptions used to estimate the fair value of the SARs granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in market at the time of grant of the SARs	NA
Intention of the holders of Equity Shares allotted on exercise of the SARs to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer	NA
Intention to sell Equity Shares arising out of the ESAR 2018 within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares	NA

Particulars	Details
arising out of ESAR 2018, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	
Impact on the profits and on the earnings per share of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed, in respect of SARs granted in the last three years.	NA

(1) *Details of SARs granted to directors and senior managerial employees*

Name of director / senior managerial personnel	Total number of options granted	Number of options exercised	Total number of options outstanding	Number of Equity Shares held
Rajan Aggarwal	164,688[(1)]	NIL	164,688	NIL

[(1)] *The number of Equity Shares the ESARs may convert into cannot be determined as this stage, as it is based on the fair market value per Equity Share on the date of exercise.*

(2) *Details of employees receiving grant amounting to 5% or more of SARs granted during the year*

Name of Employee	Number of options granted
Rajan Aggarwal	164,688[(1)]

[(1)] *The number of Equity Shares the ESARs may convert into cannot be determined as this stage, as it is based on the fair market value per Equity Share on the date of exercise.*

(3) *Employees who have been granted SARs exceeding 1% of the issued capital of the Company*

Name of Employee	Number of options granted
Rajan Aggarwal	164,688[(1)]

[(1)] *The number of Equity Shares the ESARs may convert into cannot be determined as this stage, as it is based on the fair market value per Equity Share on the date of exercise.*

14. Except as stated below, none of our Promoters, members of the Promoter Group, our Directors, and their relatives (as defined under the Companies Act, 2013) have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

(a) Purchase of securities:

Sr. No.	Name of shareholder	Promoter / Promoter Group / Directors / Relatives	Date	Nature of transaction	Number of Equity Shares purchased	Percentage of the pre-Offer capital (%)
1.	Rohit Ravindranath	Promoter Group	February 7, 2018	Cash	1	*Negligible*

(b) Sale of securities:

Sr. No.	Name of shareholder	Promoter / Promoter Group / Directors / Relatives	Date	Nature of transaction	Number of Equity Shares sold	Percentage of the pre-Offer capital (%)
1.	Uma Rachappa	Promoter	February 7, 2018	Cash	1	*Negligible*

15. As of the date of filing of this Draft Red Herring Prospectus, the total number of our Shareholders is nine.

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

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

18. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

19. Except for the sale of Equity Shares in the Offer for Sale by our Promoters, our Promoter Group, Subsidiary, and Group Company will not participate in the Offer.

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

21. Our Company presently does not intend, or propose to alter its capital structure for a period of six months from the Bid / Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer, and (b) the grant of options and stock appreciation rights under ESOP 2018 and ESAR 2018, respectively.

22. In terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, this is an Offer wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate the Anchor Investor Portion on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at, or above Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors, and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. For further details, see "*Offer Procedure*" on page 412.

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

24. Except for the Offer, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

25. Our Company has not been formed by the conversion of a partnership firm.

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

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

28. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

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

30. Other than the stock appreciation rights granted pursuant to ESAR 2018, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises an Offer for Sale by the Selling Shareholders.

OFFER FOR SALE

Each Selling Shareholder is entitled to the proceeds of the Offer for Sale to the extent of their respective portion of the Equity Shares, after deducting their respective portion of the Offer expenses, and applicable taxes thereon. Our Company will not receive any proceeds from the Offer for Sale.

The objects of the Offer for the Company are to achieve the benefits of listing the Equity Shares on the Stock Exchanges, and to facilitate the sale of Equity Shares by the Selling Shareholders. Further, the Company expects that a listing of its Equity Shares will enhance its stability and brand image, while providing liquidity to its existing shareholders.

OFFER RELATED EXPENSES

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses include listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Bankers to the Offer, including processing fees to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. Other than the listing fees (which shall be borne by our Company), all other expenses for the Offer shall be shared amongst the Selling Shareholders, in proportion to the Equity Shares being offered by them in the Offer. All such expenses shall be directly deducted from the Public Offer Account, and to the extent any expenses attributable to Investor Selling Shareholders have been paid by our Company or the Promoter Selling Shareholders, they shall be reimbursed to our Company or the Promoter Selling Shareholders, as the case may be, directly from the Public Offer Account. Provided if the Offer is withdrawn by the Company or is not completed for any reason, the Investor Selling Shareholders shall not be liable to share any costs and expenses. The break-up of the Offer expenses is as follows

Sr. No.	Activity	Amount(1) (in ₹ million)	As a % of the Total Estimated Offer Expenses	As a % of the Offer Size(1)
1.	Payment to the BRLMs (including brokerage and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs and brokerage, selling commission and bidding charges for the Members of the Syndicate, Registered Brokers, RTAs and CDPs (2) (3) (4)	[●]	[●]	[●]
3.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
4.	Others: i. Listing fees, SEBI filing fees, book building software fees and other regulatory expenses; ii. Fee payable to the Auditors; iii. Printing and stationery expenses; iv. Advertising and marketing for the Offer; v. Fees payable to legal counsel; and vi. Miscellaneous	[●]	[●]	[●]
TOTAL ESTIMATED OFFER EXPENSES		[●]	[●]	[●]

(1) Will be completed after finalisation of the Offer Price
(2) Members of the Syndicate, RTAs, CDPs, and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:
*Portion for Retail Individual Bidders: [●]% of the Amount Allotted**
*Portion for Non-Institutional Bidders: [●]% of the Amount Allotted**
(3) Registered Brokers will be entitled to a commission of ₹[●] per every valid ASBA Form directly procured by such Registered Broker and uploaded on the electronic bidding system of the Stock Exchanges
(4) SCSBs will be entitled to a processing fee of ₹[●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate / agents, Registered Brokers, RTAs or CDPs, and submitted to the SCSBs
(All of the abovementioned amounts are exclusive of applicable taxes)
** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. The commission and processing fees shall be payable within [●] Working Days post the date of receipt of final invoices of the respective Designated Intermediaries by the Company.*

MONITORING OF UTILISATION OF FUNDS

Since the Offer is an offer for sale, our Company will not receive any proceeds from the Offer, and accordingly, is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares, offered through the Book Building Process, and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each, and the Offer Price is [●] times the Face Value at the lower end of the Price Band and [●] times the Face Value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 155, 20 and 207, respectively, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

1. We are a market leader in the manufacture of rice processing equipment in India;
2. We offer a diversified product range appealing to a wide range of customers;
3. We have well-equipped manufacturing facilities;
4. We have a strong focus on research and development, leading to successful commercialization of innovative products;
5. We have an extensive sales network which is backed by a robust after-sales team;
6. We have an effective and efficient business model, resulting in track record of operating and financial performance and growth; and
7. We have an experienced and qualified management team with strong execution track record.

For details, see "*Our Business – Competitive Strengths*" on page 156.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Standalone Financial Information and the Restated Consolidated Financial Information prepared in accordance with Indian GAAP, Ind AS, as the case may be, and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 207.

The accounting ratios shown below are after taking into account the impact of the Company's issuance of full paid-up Equity Shares by way of a bonus issue in the ratio of 347:153 carried out on June 22, 2018. The abovementioned bonus issue was carried out by capitalization of the Company's securities premium account and free reserves, and was approved by the Shareholders at the AGM held on June 15, 2018.

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

(a) Basic and Diluted Earnings Per Share ("EPS"):

On a standalone basis:

Financial Year ended	Basic and Diluted	
	EPS (₹)	Weight
March 31, 2016	13.41	1
March 31, 2017	20.54	2
March 31, 2018	30.45	3
Weighted Average	**24.31**	

On a consolidated basis:

Financial Year ended	Basic and Diluted	
	EPS (₹)	Weight
March 31, 2016	18.15	1
March 31, 2017	19.55	2

Financial Year ended	Basic and Diluted	
	EPS (₹)	Weight
March 31, 2018	29.29	3
Weighted Average	**24.19**	

Note:

1. *Earning-per share (EPS) calculation is in accordance with Ind AS 33 "Earnings per share" prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*

2. *Formula used for calculation of EPS is given below:*

$$\text{Basic Earnings per share (₹)} : \frac{\text{Restated profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted Earnings per share (₹)} : \frac{\text{Restated profit after tax attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the year}}$$

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

Particulars	P / E at the lower end of the Price Band (no. of times)	P / E at the higher end of the Price Band (no. of times)
Based on basic EPS as per the Restated Standalone Financial Information for the year ended March 31, 2018	[●]	[●]
Based on basic EPS as per the Restated Consolidated Financial Information for the year ended March 31, 2018	[●]	[●]
Based on diluted EPS as per the Restated Standalone Financial Information for the year ended March 31, 2018	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Information for the year ended March 31, 2018	[●]	[●]

(c) Industry Peer Group P / E ratio

There are no listed entities whose business portfolio is comparable with that of our business, and comparable with our scale of operations.

(d) Return on Net Worth ("RoNW")

As per Standalone Restated Financial Information:

Financial Year ended	RoNW (%)	Weight
March 31, 2016	22.34	1
March 31, 2017	25.49	2
March 31, 2018	28.62	3
Weighted Average	26.53	

As per Consolidated Restated Financial Information:

Financial Year ended	RoNW (%)	Weight
March 31, 2016	28.38	1
March 31, 2017	22.85	2
March 31, 2018	27.55	3
Weighted Average	26.12	

Note:

1. *Formula used for calculation of RoNW is given below:*

$$\text{Return on net worth (\%)} : \frac{\text{Restated profit after tax}}{\text{Net Worth, as restated, at the end of the year}}$$

2. *Net worth for ratios mentioned above = Equity share capital + Reserves and surplus (including Securities premium, General Reserve, Capital Reserve, Capital Redemption Reserve, Foreign Currency Translation Reserve and Surplus in the statement of profit and loss)*

(e) Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2018

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

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

Financial year ended	Restated Standalone Financial Information (₹)	Restated Consolidated Financial Information (₹)
March 31, 2016	60.01	61.29
March 31, 2017	80.58	80.85
March 31, 2018	106.40	105.52
Offer Price	[●]	[●]
After the Offer	[●]	[●]

Net Asset Value (NAV) per equity share (₹) : $\frac{\textit{Net Asset Value, as restated, at the end of the year}}{\textit{Number of equity shares outstanding at the end of the year / period}}$

(g) Comparison with Listed Industry Peers

Our Company does not have any listed industry peers.

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

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

Investors should read the abovementioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 20, 155, 363 and 207, respectively, to have a more informed view.

The average cost of acquisition per Equity Share by Rajendran Joghee is ₹8.32 per Equity Share, Ravindranath Ramaiah is ₹8.32 per Equity Share, Manjula Rajendran is ₹0.10 per Equity Share, and Uma Rachappa is ₹0.09 per Equity Share. For details, see "*Capital Structure – History of the Equity Share Capital held by our Promoters, Promoters' Contribution and Lock-in*" on page 90. The average cost of acquisition per Equity Share by our Promoter has been calculated by taking the average of the amounts paid by our Promoter to acquire the Equity Shares.

The average cost of acquisition per Equity Share by Multiples Mauritius is ₹299.88 per Equity Share and Multiples India is ₹299.88 per Equity Share.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
MILLTEC Machinery Limited (formerly MILLTEC Machinery Private Limited)
No.51/A, KIADB Industrial Area,
Hosur Road, 1st Phase, Bommasandra,
Bangalore-560 099
Karnataka, India

Dear Sirs,

Sub: Statement of possible special direct tax benefits available to MILLTEC Machinery Limited ("the Company") and its shareholders

We refer to the proposed initial public offer of equity shares of the Company (the "Offer") and enclose the statement showing the current position of special direct tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 ('the Act') for inclusion in the draft red herring prospectus, red herring prospectus and prospectus to be filed by the Company in connection with the Offer ("**Offer Documents**").

Unless otherwise specified, sections referred below are sections of the Act. The benefits set out below are subject to conditions specified therein read with the Income Tax Rules, 1962, as amended from time to time, presently in force.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive. We are informed that this statement is only intended to provide general information to the investors and is neither designated nor intended to be 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 Offer.

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

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

We hereby give our consent to include the enclosed statement regarding special direct tax benefits available to the Company and to its shareholders in the Offer Documents for the proposed Offer which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for information and for inclusion in the Offer Documents in relation to the Offer and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors or third party who may or may not invest in the proposed issue relying on the statement.

Yours faithfully,

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 008072S)

Subramanian Krishnamani
Partner
(Membership No.: 206440)

Place: Bangalore
Date: 29 June 2018

STATEMENT OF SPECIAL DIRECT TAX BENEFITS AVAILABLE TO MILLTEC MACHINERY LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS

1. Special tax benefits available to the Company

1.1 Claim for additional Depreciation

The Company is eligible for additional depreciation at the rate of 20 percent of the actual cost of specified machinery or plant acquired and installed after 31 March 2005 over and above the normal depreciation. (Section 32(1)(iia) of the Act)

2. Special tax benefits available to shareholders

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for shareholders

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

3. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

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

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

*"CRISIL Research, a division of CRISIL Limited ("**CRISIL**") has taken due care and caution in preparing this report ("**Report**") based on the Information obtained by CRISIL from sources which it considers reliable ("**Data**"). The industry report commissioned by the client also includes a brand assessment study conducted by CRISIL, which involved interactions with over 100 rice millers and equipment dealers across states. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. MILLTEC Machinery Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published / reproduced in any form without CRISIL's prior written approval."*

KEY MACROECONOMIC INDICATORS

GDP growth to rebound in fiscal 2019

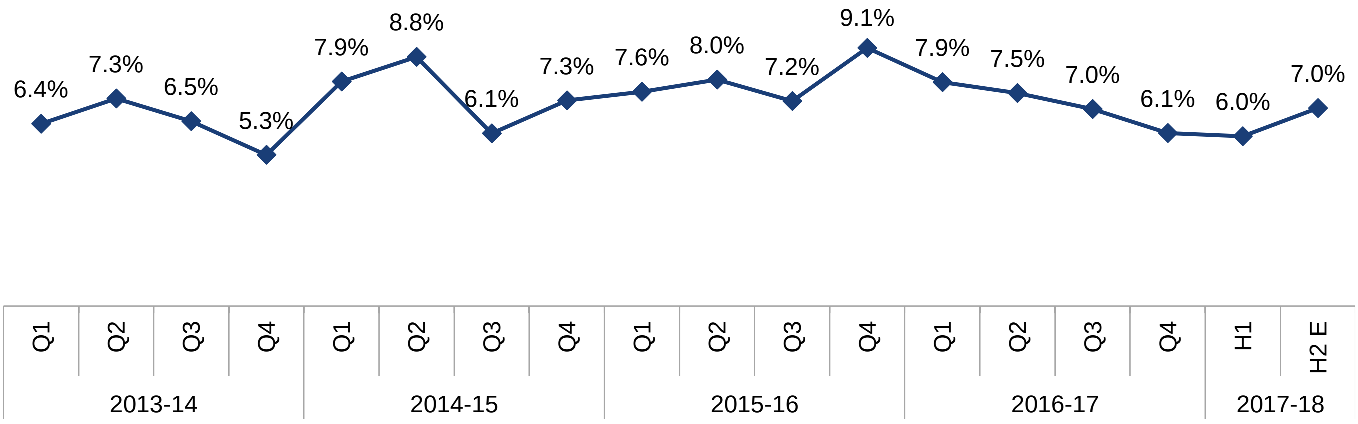
According to CRISIL Research, the Indian economy is expected to expand at 7.5% in fiscal 2019. After two consecutive years of deceleration, this looks like a strong recovery. Unlike fiscal 2018, the impetus to growth will come from both domestic and global factors.

On the domestic front, growth will largely be driven by factors outside the budget. The waning impact of demonetisation and the ironing out of Goods and Services Tax (GST) creases will support domestic activity. The initial forecasts from the Indian Meteorological Department (IMD) rule out an El Nino condition (associated with weak summer monsoon) in 2018. This augurs well for agricultural production. The frontloaded recapitalisation of banks will enhance the ability of the banks to create credit and support growth.

However, over the long term in contrast to healthy growth achieved during much of the previous decade, India's gross domestic product (GDP) growth plummeted sharply in this decade. The pace of Indian economic growth has slowed in fiscal 2018, which is attributable mostly to the lingering impact of demonetisation, transitory disruptions caused by the implementation of the Goods and Services Tax (GST), and weak agricultural growth

In the current fiscal (fiscal 2018), GDP for the first half stood at 6%, declining to a three-year low of 5.7% in the first quarter, but nosing up to 6.3% in the second quarter on an uptick in industrial growth. This upswing signals the fading impact of demonetisation and the destocking that preceded the GST implementation. We expect growth to pick up to 7% in the second half of this fiscal, aided by the low base effect of the second half of fiscal 2017.

Figure 1: GDP growth to pick up in H2FY18

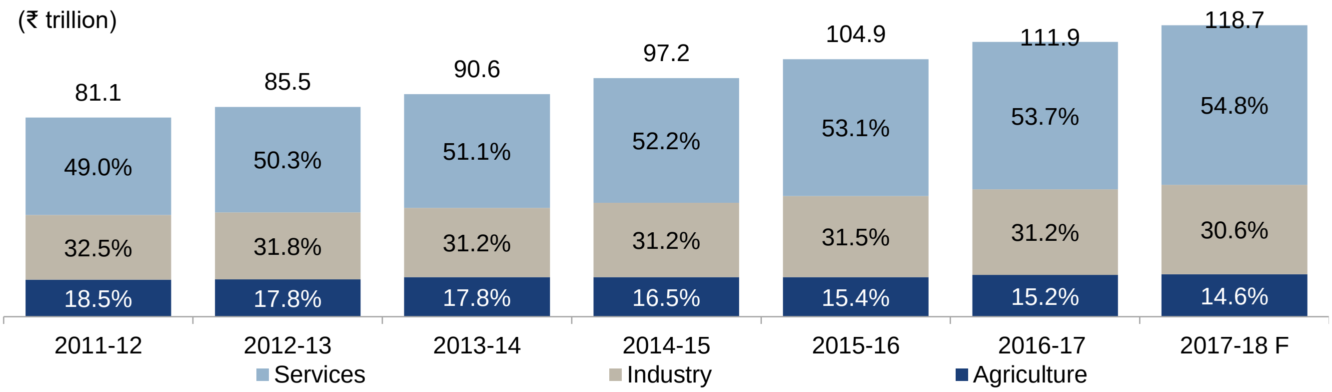


Source: CSO

Gross value added from agriculture grew at ~2.6% in the past five years

India's overall gross value added (GVA) expanded at ~6.65% compound annual growth rate (CAGR) between fiscals 2012 and 2017. The service sector contributed more than 50%, followed by the industry sector at 31% and agriculture sector at ~15%. The service sector is not only the largest contributor to the GVA, but it is also the fastest-growing segment, growing at ~8.6% CAGR in the period. The GVA from industry grew at ~5.8% CAGR, while the GVA from the agricultural segment grew at a ~2.5% CAGR, resulting in the declining share of agriculture to the total GVA.

Figure 2: Agriculture sector accounts for over 14% of the total GVA of the country



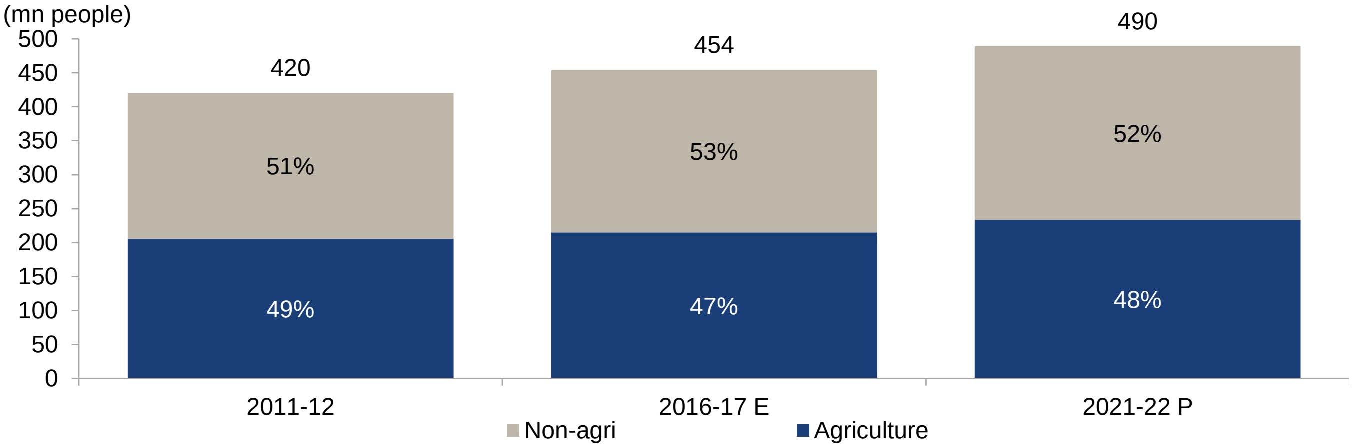
Source: CSO, CRISIL Research

The total GVA from agriculture increased to Rs 16.96 trillion in fiscal 2017, from Rs 15.02 trillion in fiscal 2012. CRISIL Research expects it to increase by ~2.1%, to Rs 17.32 trillion in fiscal 2018. The share of agriculture in the total GVA has declined, as happens when countries develop. However, the declining share does not undermine the importance of the sector in employment, livelihood and food security. With structural changes in agriculture, there is greater scope to broaden the range of activities related to agriculture to improve productivity and make way for sustainable growth. Within agriculture GDP, crops account for nearly 60% of the total output, others being fisheries, animal husbandry and forestry.

Exports from the agriculture segment amounted to $24.55 billion in fiscal 2017. Agricultural exports constitute 9% of the country's exports and are the fourth-largest exported principal commodity. Agricultural exports from India reached $22.5 billion during April 2017-January 2018 with exports of rice, pulses and maize accounting for 28%, 0.7% and 0.7% respectively, of the total agriculture exports.

Employment in agriculture sector expanded at ~0.9% CAGR in the past five years

Figure 3: Agriculture employees almost half of the work force in India



Source: CRISIL Research

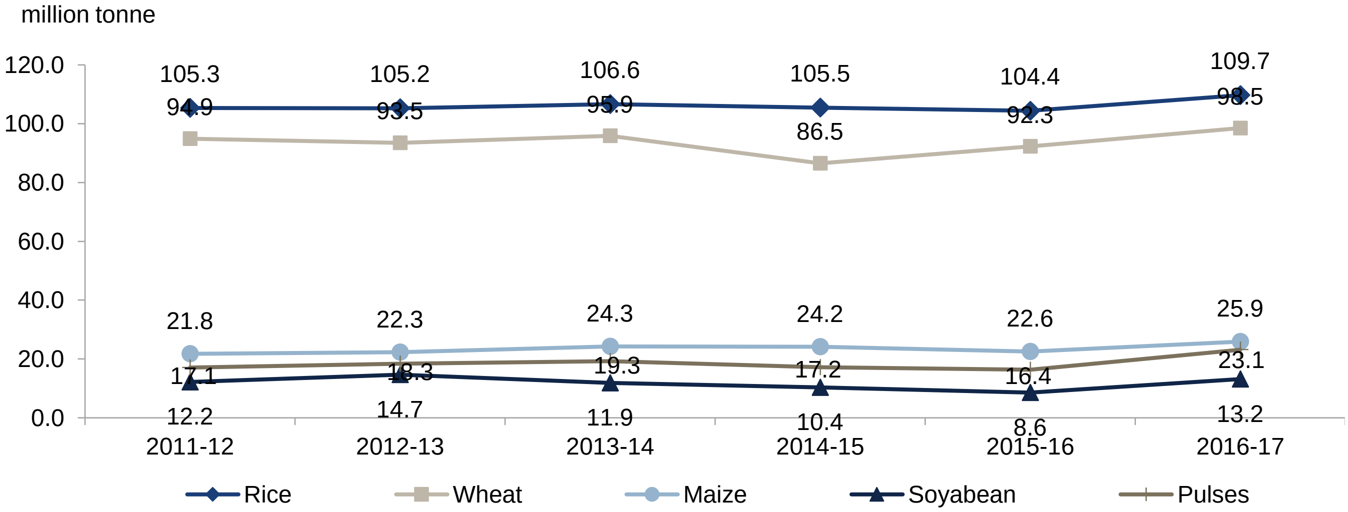
India's rural economy has a huge footprint, supporting 70% of its population and accounting for almost half of India's GDP and private consumption. Almost 40% of the rural output comes from the agriculture sector. Even though the share of the agriculture sector in the GDP has reduced over the years, the sector still employs over half of the country's work force. The incomes of rural households need a sustained push since rural areas still account for ~67% of India's population, 47% of gross domestic product (GDP), and 54% of private consumption. About 56% of rural households continue to depend heavily on farms as their primary source of income.

While overall employment grew at ~1.6% CAGR between fiscals 2012 and 2017, employment in agriculture grew at a slower ~0.9% CAGR. India's overall employment stood at 454 million for fiscal 2017, of which agriculture employed ~47% of the total employed population.

India's agricultural production: Key crops

India's total agriculture production are divided into five major groups – food grains (cereals and pulses), oilseeds (groundnut, rapeseed & mustard, sesame, linseed, castor seed, niger seed, safflower, sunflower and soybean), cotton, jute & mesta, and sugarcane. The total production of crops stood close to ~622 million tonnes in fiscal 2017.

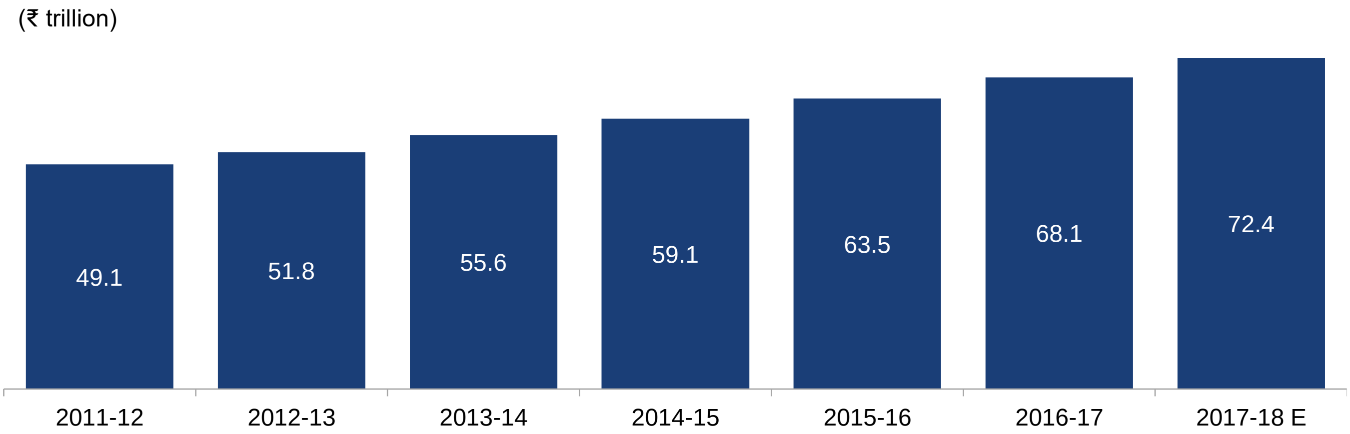
Figure 4: Rice accounts for ~18% of the total agricultural production



Notes: Data pertains to crop year (July to June)
Source: Directorate of Economics and Statistics, CRISIL Research

While pulses, maize and soybean grew at 6.2%, 3.5% and 1.5% CAGR, respectively, during the period, rice and wheat expanded moderately at 0.8%. Even though India is the second-largest producer of rice in the world after China, domestic crop yield leaves a lot to be desired. India's paddy crop yield has averaged close to 3.6-3.7 tonne/hectare over the last five years. India ranks well below the world average yield of 4.5 ton/hectare and also below major rice-producing countries like China, Vietnam and Pakistan where paddy yield has averaged close to 7.3 tonne/hectare, 5.5 tonne/hectare and 3.8 tonne/hectare respectively. Introduction of newer varieties of seeds and better methods could increase yield and make a substantial difference to the country's rice production capacity.

For wheat, both gross area and yield increased, the former to 30.6 million hectare from 29.9 million hectare and the yield to 3.22 kg/hectare from 3.17 tonne/hectare. While comparing the production growth of the 5 major food groups in the past five years, pulses grew the highest at 6.1% CAGR, followed by oilseeds at 1.5% CAGR and food grains at 1.2%. Production of cotton and jute fell at a CAGR of 1.2% and 1.4%, respectively.



RICE MILLING

Trends in Paddy production and exports

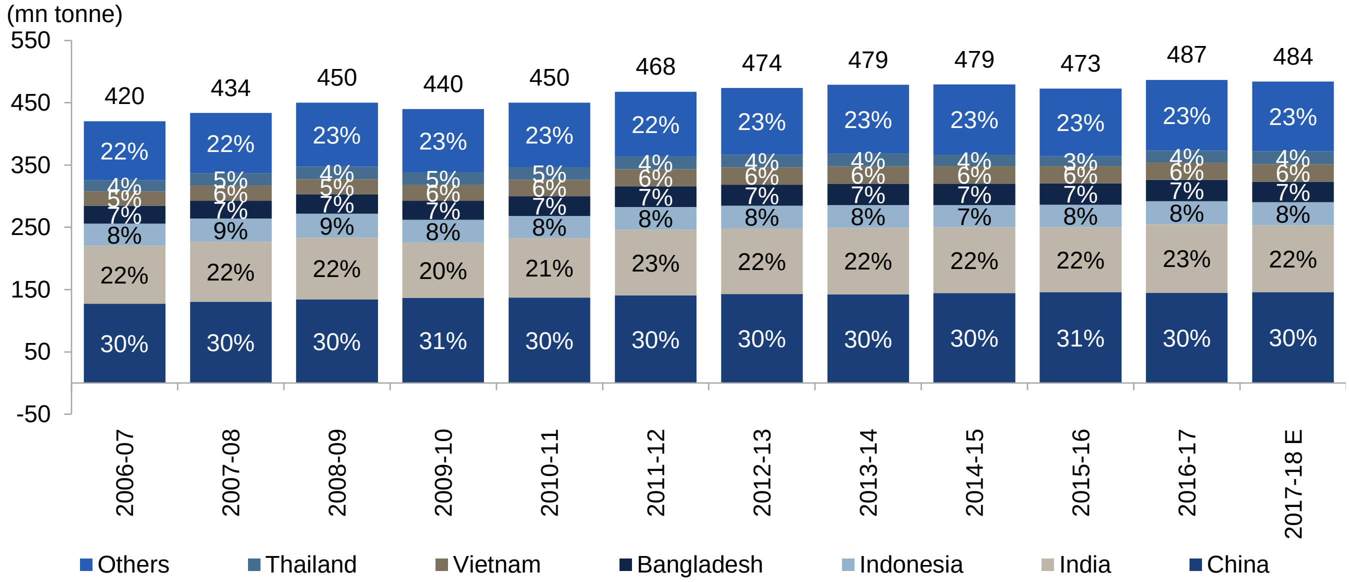
Global rice production remains highly concentrated

Global rice production remains highly concentrated, as paddy can be cultivated only in regions with a conducive weather, i.e., an adequate rainfall along with warm climatic conditions. Crop yields and area covered also influence production. Rice is a water intensive crop with water requirement of 1200-1400 mm.

Global rice production steadily grew 1-1.5% over the past ten years i.e. Marketing year (MY) 2007 to MY 2017 (marketing year for rice is May- April according to USDA), driven by the leading rice producers, China and India. Limited area additions in both countries due to high utilisation of agricultural land have limited faster growth in rice production.

The top five rice producers in the world account for over 80% of the global production, while India and China account for over 50%.

Figure 5: China and India – World leaders in rice production



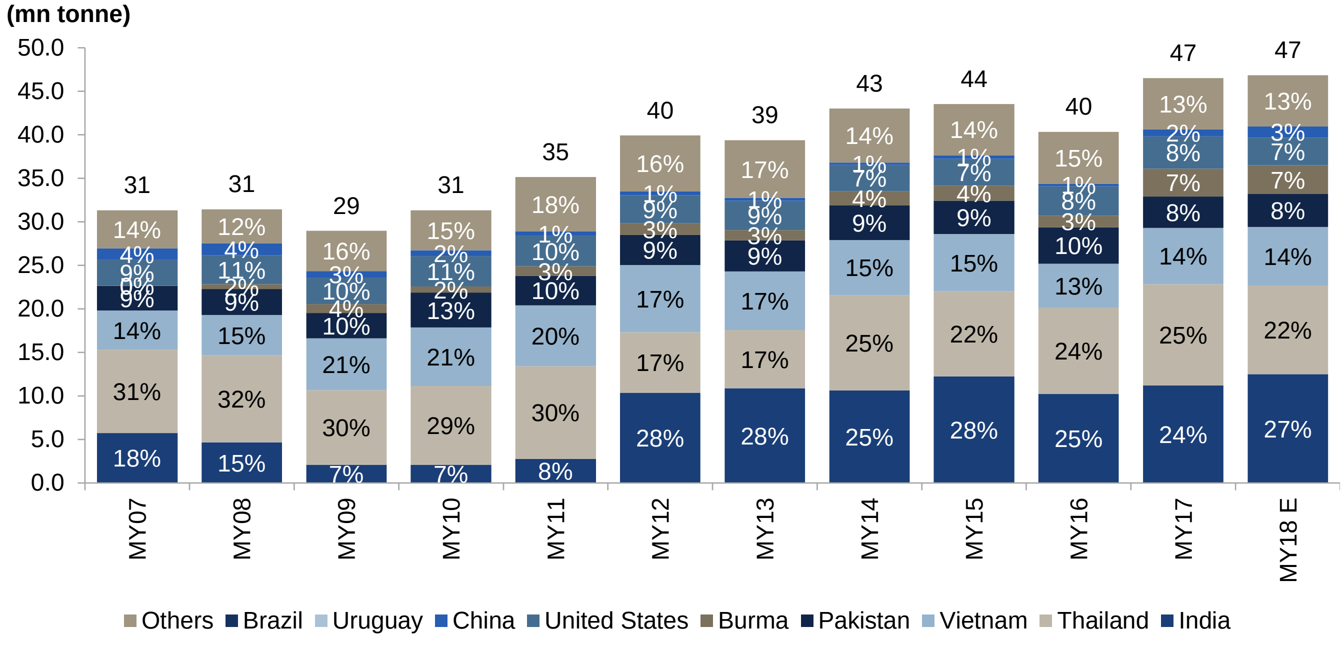
Note: MY - Marketing year (May- April)
Total production figures are in million tonne
Source: United States Department of Agriculture (USDA), Industry, CRISIL Research

India, Thailand, Vietnam, Pakistan and United States account ~75-80% of total exports

The global rice trade has been on the rise during the past five years (MY 2012 to MY 2017), because of higher demand for premium-quality rice, especially from countries in the Middle East. A shortage of food availability in the African countries further drove rice demand higher. Demand for Indian rice is high from countries such as Saudi Arabia, Iran and the US. These countries mainly import basmati rice, which fetches higher realisation than the non-basmati type. Pakistan is a key competitor for India in the export market, as basmati rice is largely produced in India and Pakistan.

However, government regulations in the countries remains a key monitorable for export markets. For example, Iran, a major importer of Indian premium-quality basmati rice until fiscal 2014, started producing more rice and stopped issuing fresh import licenses for basmati rice from India (October 2014 onwards) to encourage its rice producers and millers. To discourage further imports, it also revised import duty on aromatic rice from 22% to about 40% in August 2016. This impacted the exports from India. However, in November 2017, Iran lifted the ban on import of rice which led to increase in exports from India.

Figure 6: India is a chief exporter of rice in the world



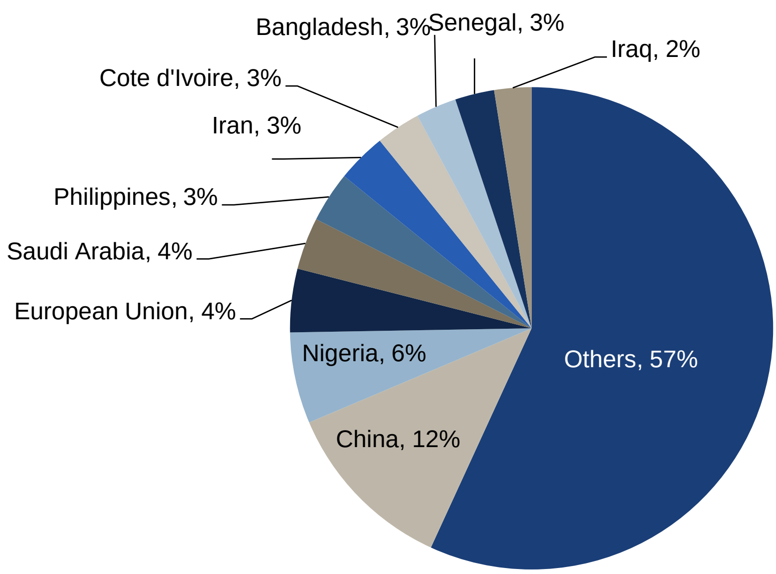
Note: MY - Marketing year (May- Apri)
Total production figures are in million tonne
Source: United States Department of Agriculture, Industry, CRISIL Research

Global imports largely fragmented

Global rice imports have remained stable over the past five years (MY 2014-MY 2018). China, Nigeria, the Philippines, Bangladesh, the European Union, and Saudi Arabia are the major rice importers, with the top 10 nations contributing close to 40% of the total world imports.

The share of countries in total imports has not changed much during the past five years. But, share of China has been on a rise due to rising domestic rice prices in China, the Chinese turned towards the global market to fulfil their demand. Also, many Chinese consumers are looking at consuming different varieties of rice, such as Jasmine rice from Thailand and sticky rice from Vietnam. However, India is not a major trade partner for rice imports by China.

Figure 7: Top 10 countries account for only 43% market share



Note: The proportions are based on average of 5 year imports (MY 2014-MY 2018)
Source: United States Department of Agriculture, Industry, CRISIL Research

India, a leading paddy producer

Paddy is one of the most important food crops of India and is second most important crop in the world. It feeds more than 50% of the global population. Asia accounts for about 90% of the world's paddy cultivation. Among the paddy-growing countries, India has the largest area under cultivation, though in terms of volume of output, it is second to China, amid lower yields.

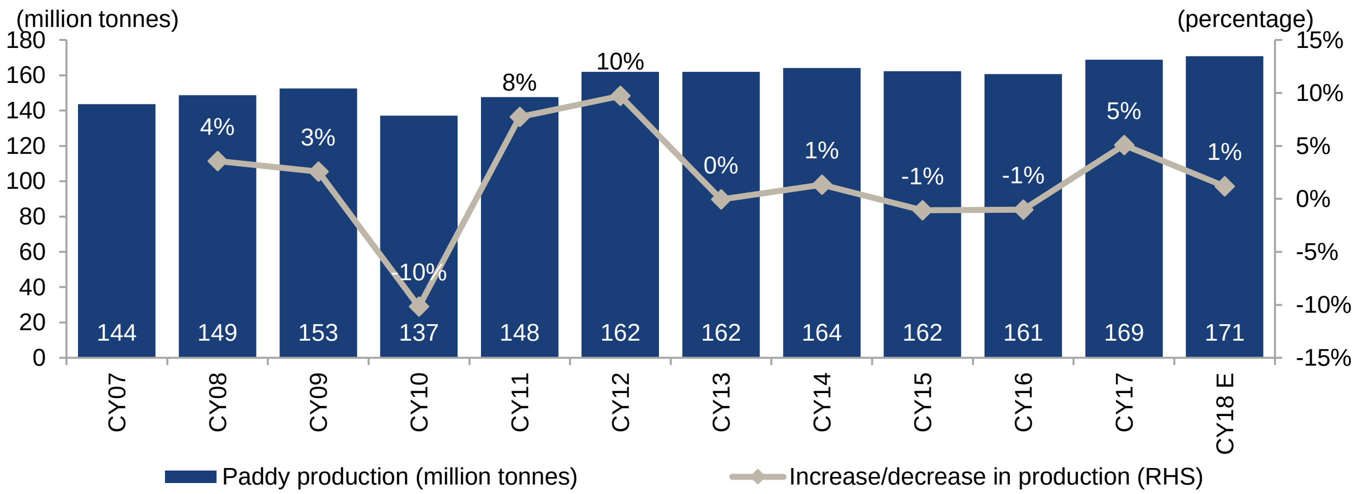
Paddy is grown during rabi and kharif seasons. For the rabi season, seeds are sown around the mid-November post-monsoon season and harvest begins in April or May. The crops are sown in the rain water that has been absorbed by soil. On the other hand, for the kharif season, seeds are sown just before the monsoon begins in May-June and the crop is harvested in October-November.

Domestic paddy production growth to be steady

Paddy production in India has grown at a steady pace of 1-2% over the past 10 years i.e., from Crop Year 2007 to Crop year 2017 (July to June), and is expected to grow at a similar pace over the next 3-4 years. A slight fluctuation in production generally occurs due to the vagaries of nature and erratic monsoons.

In the Crop year 2017, domestic paddy production increased a healthy 5% to 169 million tonne. Production rose because of a bumper harvest during the kharif season (July to October), following a normal monsoon. This was after subnormal monsoons in the previous two years, directly affecting profitability of millers. Lower profitability and thinner margins of millers affects their decision to upgrade or replace equipment. This in turn impacts sales of the rice-milling equipment industry.

Figure 8: Paddy production has been subjected to volatility owing to erratic monsoon

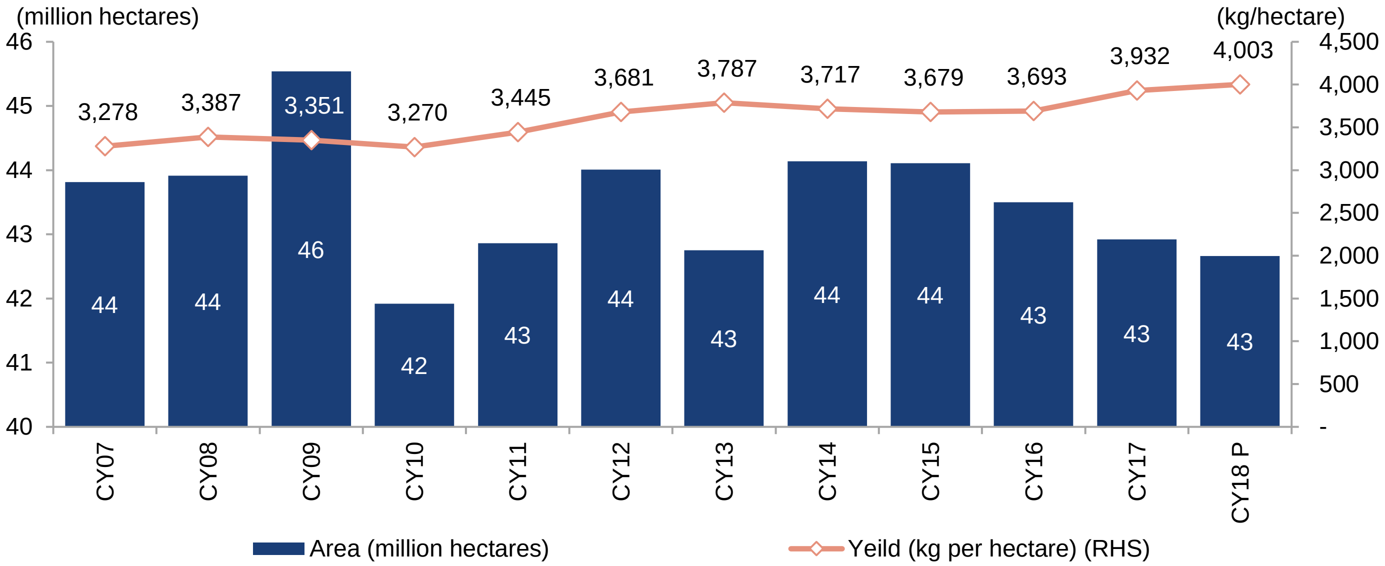


Note: All years represent crop year (July-June) and VY18 estimates are as per second advanced estimates

Source: Directorate of Economics and Statistics, Industry, CRISIL Research

Paddy production is expected to increase ~1% in crop year 2018 as per second advanced estimates provided by Ministry of Agriculture. The growth is paddy production over the decade has been mainly on account of 1.8% increase yields during the period. However, the area under cultivation has remained stable over the years as utilization of arable land has been high in the country. Even though India is the second-largest producer of paddy in the world after China, domestic crop yield leaves a lot to be desired. India's paddy yield has averaged close to 3.6-3.7 tonne/hectare over the last five years. India ranks well below the world average yield of 4.5 ton/hectare and also below major rice-producing countries like China, Vietnam and Pakistan where paddy yield has averaged close to 7.3 tonne/hectare, 5.5 tonne/hectare and 3.8 tonne/hectare respectively

Figure 9: Introduction of newer varieties of seeds and better methods could increase yield and make a substantial difference to the country's rice production capacity.



Note: All years in this chart refer to the Indian crop year (July to June)

Source: Directorate of Economics and Statistics, Industry, CRISIL Research

Paddy produced is not directly consumed and involves a milling process where husk and bran layers are removed from paddy to produce whole white rice kernels. Total milled rice that can be obtained from the paddy crop is typically about 65% of the initial input.

The rice processing industry is fragmented with the presence of over~80,000 to 1,00,000 mills including small shellers, de huskers and other small units. However, there are only ~30,000-35,000 modern mills divided into small, medium and large units. These units are generally located close to a paddy-growing region to support operations throughout the year.

Small and medium enterprises (SME) account for over 90% of the mills in terms of revenue. (revenue less than Rs 2500 million). Although the industry is witnessing emergence of large players, the top five players together have a marginal market share of ~4-5%. However, the basmati rice segment is largely organised, with 55-60% of the production managed by large players as it caters to the export market.

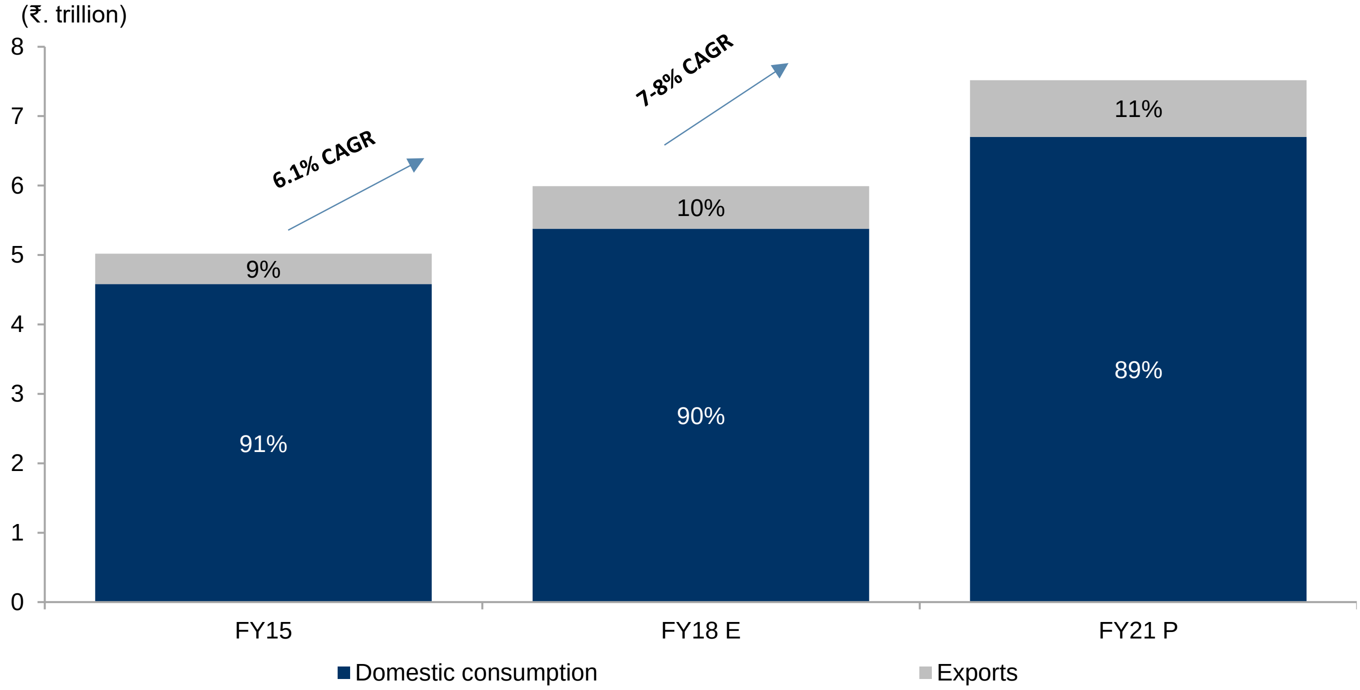
Sizing and growth outlook for milled rice

Indian milled rice market valued at about Rs. 6 trillion in fiscal 2018; growth momentum to continue

The domestic milled rice industry is mostly driven by domestic consumption, which accounts for over about 90% of revenue, while exports account for the rest. Revenue is expected to continue growing at a healthy pace of 7-8% CAGR over the next three years, driven by a steady increase in consumption and a gradual shift from unbranded to branded rice. On the other hand, exports are expected to grow at a fast pace of 10-11% in terms of value, because of rising demand from the Middle East, the US, the UK and new markets, such as China.

Rising population and, increasing urbanisation and consumerism are leading to a shift in demand from unbranded to branded food products, which are the key growth drivers for the rice industry in India over the next four to five years. With consumers increasingly preferring higher-quality rice, especially in the urban areas, the changing consumption pattern should drive growth of the branded-rice segment, fetching higher realisation to mills. Our industry interactions suggest that about 45% of rice consumption in India is currently branded in value terms (including the premium as well as regional brand segments), while most of the country buys rice from local manufacturers and traders (for example '*kirana'* shops)

Figure 10: Milled rice market to grow at a healthy pace over the next three years

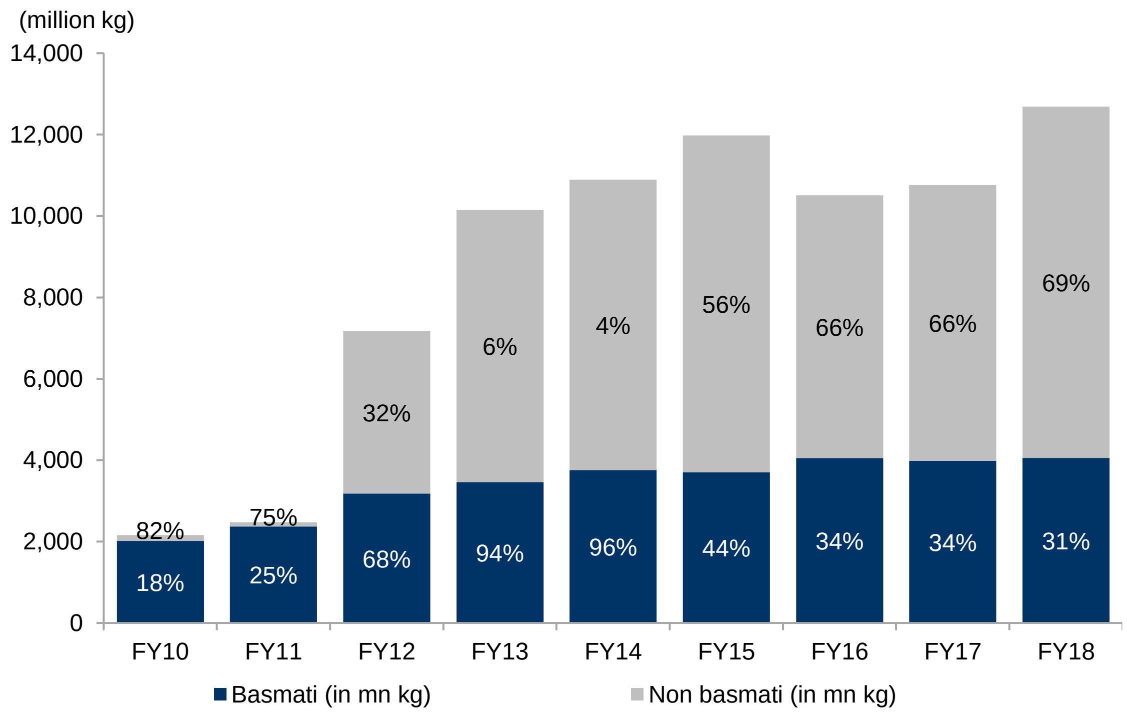


Source: USDA, APEDA, Industry, CRISIL Research

Basmati rice to lead growth in the export market

The growing appetite for basmati rice in the Middle East and Iran should lead to a steady growth in the export market. Fresh demand from China too should aid growth. China has identified 14 Indian firms to import rice directly from India, contrary to its earlier practice of small indirect imports from Hong Kong.

Figure 11: Export volumes rose in FY18 after Iran lifted its ban on rice imports



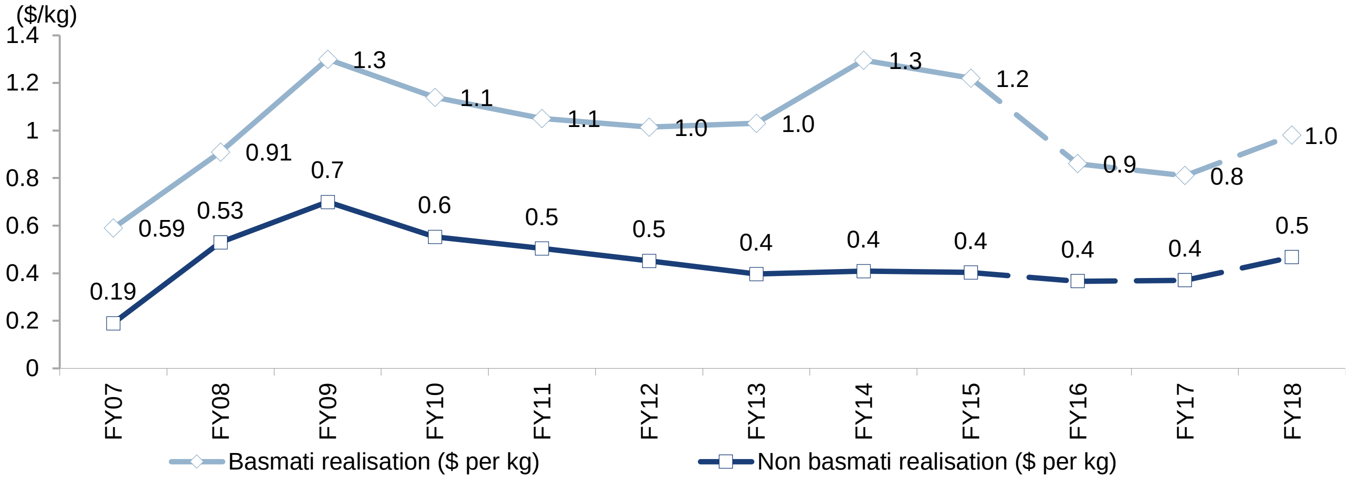
Note: Total production, million kg

Source: APEDA, Industry, CRISIL Research

The export of non-basmati rice forms a significant portion of total rice exports from India. In fiscals 2009 and 2010, non-basmati exports fell sharply, as the government banned their exports to contain rising inflation. From fiscal 2015, realisation from basmati rice has been declining, as demand from Saudi Arabia and other Middle Eastern countries was subdued, because of lower crude oil prices. However, with the crude oil prices expected to rise in the near future, demand from the Middle East is expected to pick up, leading to higher realisation.

In fiscal 2018, exports increased 35% on-year aided by the lift in ban of rice imports by Iran, a key export destination (accounting for 22% share in Indian rice exports in value terms). Iran had banned rice imports in August 2017 to encourage their domestic rice industry. However, in January 2017, the gates for imports were opened due to high demand for rice. Imports from Iran increased by 37% in value terms YTD (Apr – Feb 2018). Also, offtake from the the middle eastern countries increased as they planned to build inventories. Export realisation to climb higher with the expected rise in demand for Indian rice

Figure 13



Source: APEDA, Industry, CRISIL Research

Value chain, sizing and outlook, product and regional trends for equipment industry

Value chain of paddy processing

Paddy goes through various steps of processing before it is converted into rice. Three types of rice are consumed in India, based on the regional tastes and preferences- raw rice, steamed rice and parboiled rice. Parboiled rice is mostly consumed by Gujarat,north eastern states like West Bengal and Jharkhand and southern states such as Tamil Nadu, Andhra Pradesh, Telangana and Kerala. The north Indian states, such as Punjab and Haryana, and other states, such as Maharashtra, Andhra Pradesh and Telangana, prefer raw rice. Karnataka and the central states of Madhya Pradesh and Chhattisgarh predominantly consume steamed rice.

The manufacturing process for each variety is different and is explained below:

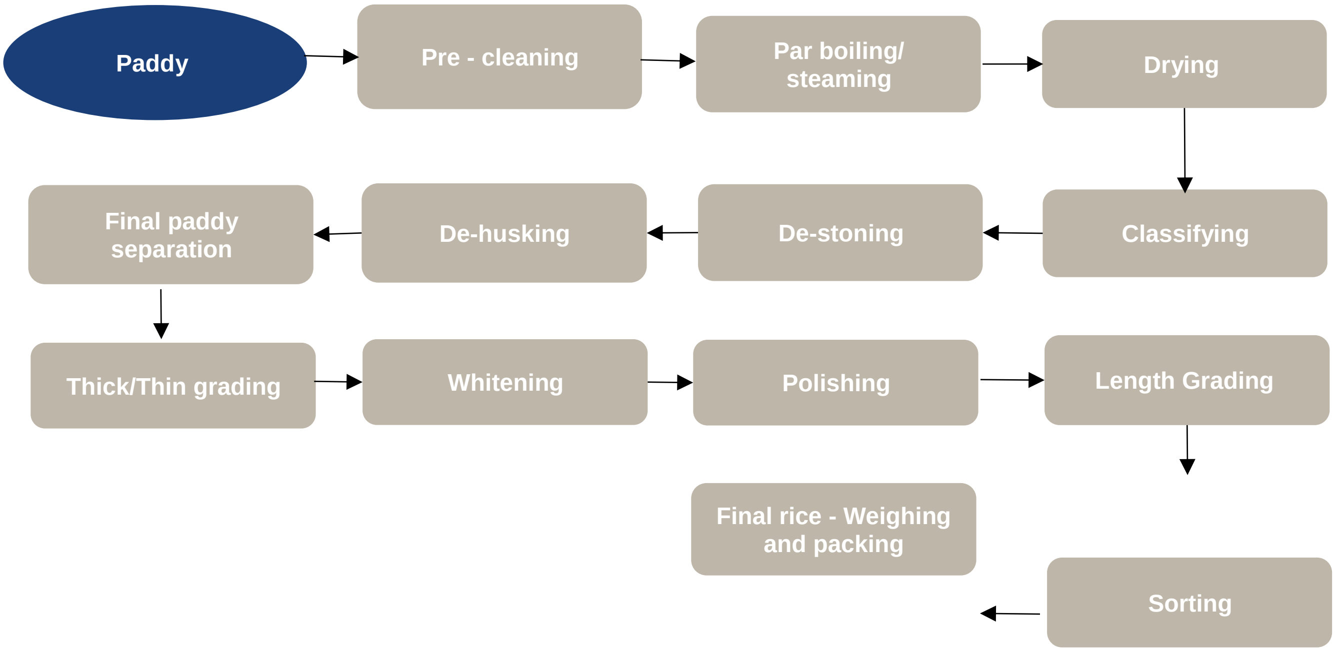
For manufacturing par-boiled rice, the rice paddy is partially cooked in the husk prior to milling in order to impart required hardness on the grain to withstand breakage in milling operations. This is done in three steps – soaking, steaming and drying using parboiling equipment. Parboiling also increases nutritional value of rice and changes its texture.

For manufacturing steamed rice, instead of boiling in the par boiler, steam is passed through the boiler where paddy absorbs moisture.

On the other hand, for manufacturing raw rice, the steps of boiling and drying are skipped and paddy is directly sent to the classifier or de-stoner.

The manufacturing process described below is a detailed process and a few steps may be skipped by a few mills depending on the quality of rice they desire to obtain.

Figure 14: Value chain for paddy processing



Source: Industry, CRISIL Research

A snapshot of machines used for rice processing

Type	Snapshot	Name of the machine	Short description of working	Average price (Rs Million)*	Average replacement cycle (years)#
		Silo	After harvest, paddy is stored in the silos. Silos are temperature controlled cylindrical structures. Some millers use silos to age paddy before being milled	8-10	20-25
		Pre cleaner	Impurities like grass, twigs and dust are removed with the help of a pre cleaner before commencing the process of milling	0.2-1	12-15
Par boiling equipment		Par-Boiler	Paddy is soaked in water, boiled to an appropriate temperature and then further processed after cooling it down. Par-boiling improves percentage of head rice	2-6	12-15

Type	Snapshot	Name of the machine	Short description of working	Average price (Rs Million)*	Average replacement cycle (years)#
		Boiler	Paddy is passed through steam to improve the texture of cooked rice and to reduce the breakage during the process of milling.	2-2.5	12-15
		Drier	After the process of par-boiling/ steam, paddy is dried to remove excess moisture. The process aims to retain 12-14% moisture content	1.5-17.5	12-15
Milling equipment		De stoner	Stones and other heavy impurities are separated from paddy	0.2-0.6	10-12
		Vibro sheller/De-husker	In this process the paddy husk is removed from the kernel with the help of two rotating cylinders that separate the husk. Husk is then blown away with the help of air	0.2-1.6	9-11
		Thick/thin grader	Rice that is thicker or thinner than the normal average size is separated in this process. Thick grader and thin grader are different machines and used to separate thick rice and thin rice respectively. Generally a mill buys either of these machines depending on the type of paddy used for processing (thick/thin)	0.3-0.8	10-12
		De-braner/Whitener	Bran (brown outer cover of the rice kernel) is separated leaving separation marks on the white kernel	0.4-1	9-11

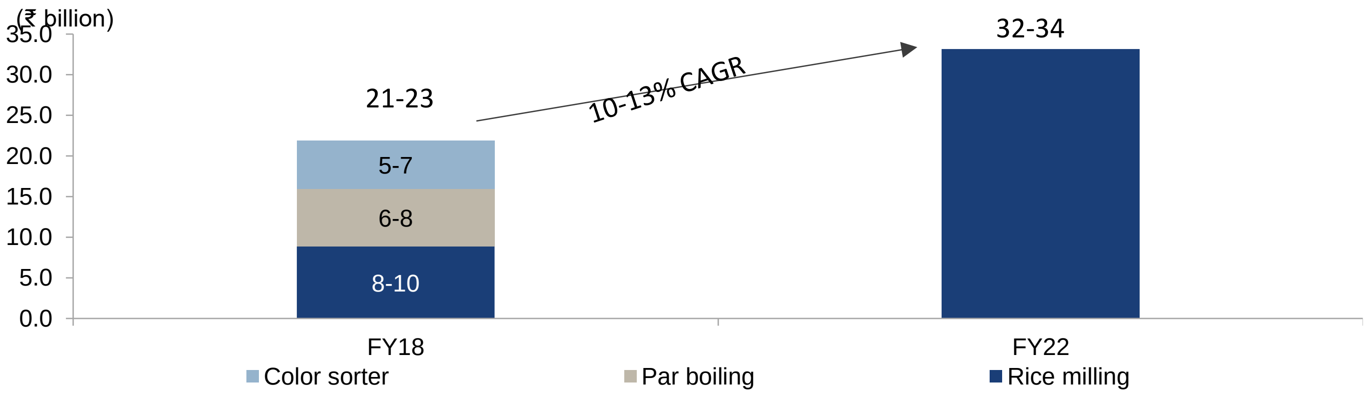
Type	Snapshot	Name of the machine	Short description of working	Average price (Rs Million)*	Average replacement cycle (years)#
		Silky polisher	The marks created during the process of de-braning are removed and rice is polished to give it a white and silky appearance	0.5-1	9-11
		Colour sorter	De-coloured and over polished rice are rejected in this process and only the rice grains with appropriate colour are retained	1.5-6	4-6

Source: Industry, CRISIL Research

Annual sales of rice processing equipment to grow at a healthy pace up to Fiscal 2022

The annual sales of rice-equipment is estimated at Rs 21-23 billion for fiscal 2018, and is expected to grow at a healthy pace of 10-13%, driven by both replacement demand and new demand from the capacity additions across various states. Demand is expected to be faster in the colour sorter segment as compared to the milling equipment.

Figure 15: Replacement and new capacity additions to drive annual sales of rice processing equipment



Source: Industry, CRISIL Research

Capacity addition in terms of new mills and capacity increase by existing mills are expected to be seen majorly in the north-eastern states where the penetration of mills is low. Uttar Pradesh, which is a key producer of paddy, is also estimated to have a lesser number of mills, and capacity addition is expected in the state over the next 4-5 years. Madhya Pradesh, where the rice-milling industry is relatively new, is in an expansion stage, and a considerable amount of demand is expected from the central region of India.

In terms of replacement sales, Andhra Pradesh and Karnataka are expected to have high demand, as millers in these regions have postponed their machinery replacement, due to profitability pressures over the past two years. However, with an anticipated improvement in paddy production and higher utilisation expected, millers are expected to replace their machinery in the next two fiscal.

Over 30% of milled rice is procured by FCI

The government policy for procurement of food grains has broad objectives of ensuring the MSP (Minimum Support Price) to farmers and availability of food grains to the weaker sections at affordable prices. It also ensures effective market intervention, thereby keeping prices under check and also adding to the overall food security.

With rice being a staple food for most states in India, the government has taken several measures to ensure the availability across all economic classes. The Central government procures paddy through Food Corporation of India (FCI), while the individual state governments procure rice from millers to distribute under the Public Distribution System (PDS) to the families below poverty line families (BPL) under the Antyodaya Anna Yojana (AAY).

Rice procurement from the Central and state governments differs across regions, based on the number of economically backward families and the demand for rice in each state.

Table 1: Northern region has the highest procurement by FCI (Fiscal 2017)

Region/cluster	Rice production in the region (% share in total production in India)	FCI procurement (% share of total regional production)*	Share of exports(% share of total regional production)#	Share of open market +PDS (% share of total regional production)
North	30.4 mn tonnes (28%)	17.2 mn tonnes (~56%)	~5-5.5 mn tonnes (~16-18%)	~8-9 mn tonnes (~25-30%)
South	23.2 mn tonnes (21%)	4.9 mn tonnes (21%)	~2-3 mn tonnes (10-13%)	~15-16mn tonnes (65-70%)
East	30.3 mn tonnes (28%)	2.4 mn tonnes (8%)	~2 mn tonnes (~5-6%)	~25-26mn tonnes (~82-88%)
Central and West	21.1 mn tonnes (19%)	8.5 mn tonnes (40%)	~1-2 mn tonnes (~4-6%)	~11-12 mn tonnes (~54-56%)
Others	3.4 mn tonnes (3%)	-	-	-
Total	108.4 mn tonnes (100%)	33.1 mn tonnes (31%)	10-13 mn tonnes (~10-12%)	~61-64 mn tonnes (~57-59%)

Note: The rice production number in the table has been adjusted to financial year (April to March) from crop year (July to June).

*Based on FCI data; #Based on primary sourcing

Source: Industry, CRISIL Research

Rice procurement from FCI is higher in the north Indian states, as these contribute to the Central pool while other regions majorly contribute to the state PDS and open markets. The north is also a leader in exports, as it grows basmati rice, which has a high demand in the export market.

On the other hand, the other regions have a higher exposure to the open market and PDS, as these states contribute to the state PDS.

Type of machinery purchased is determined by end market for milled rice

Based on the end-user markets that the millers cater to, they choose their machinery for milling. Each type of end market demands different quality of output. Hence, the millers align their machinery and output based on the majority of their customers.

Table 2: Features of mills catering to different end-user markets

	Government agencies	Exports	Open market
Quality of output	Low	High	Medium to High
Quality of equipment	Low	High	Medium to High
Storage facility	Minimal	Dedicated go downs/ silos	storage space within the mill
Paddy procurement	Government dealers/representatives	Open market dealers	Open market dealers
Transport to end market	Borne by the miller	Borne by the miller	Borne by the miller

Source: Industry, CRISIL Research

The quality of rice demanded by the customers in the international market is high. Hence, millers exporting rice strive to maintain quality consistently. To do this, they operate high-quality machinery in their mills and upgrade the machinery as and when the technology is upgraded. On the other hand, mills catering to the central government pool and PDS maintain quality only when required to pass the minimum-quality standards set by the Central government. These standards are lower than those of the open market and export market, as the procured rice is later distributed to the economically backward families at a subsidised price.

The quality standards for the open market are somewhere between the quality expected by exporters and government agencies.

For the quality of rice to be high, the stages and processes the paddy goes through becomes important. After harvest, if thestoring paddy is stored in a temperature-controlled silo, it would be less likely reduces the likliehood of damage due to catch moisture or be exposed to rodents. Hence, millers catering to the export market either store paddy in silos or dedicated godowns with a hygienic environment.. During the subsequent milling process the paddy using, high-quality core milling equipment like shellers, whiteners and polishers is essential to convert intominimize breakage, wastage and to generate high-quality rice. Usage of technologically advanced machines like color sorters furthers improves final output by separating out the less white grain..

On the other hand, millers mostly catering to the open market choose to store their paddy in godowns that are generaly not temperature-controlled. These millers then process the paddy using moderate-quality equipment. The exposure of international brands such as Buhler and Satake is low among the mills catering to open market.

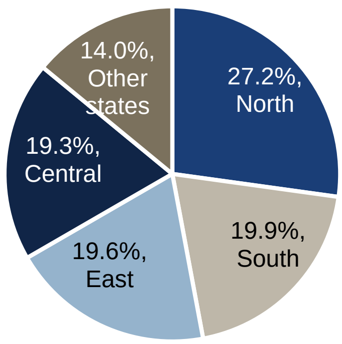
The mills catering to the government agencies rarely store the inventory of raw material, as they have a stipulated time period to process the procured paddy. These mills are supplied paddy through the government agencies or can procure paddy through local dealers by paying MSP, and they mostly use locally manufactured machinery. The processed paddy is transported to the state/Central storage houses at the expense of the miller. For the open market and export mills, the transportation of the final product differs from mill to mill, based on the mill's agreement with rice dealers and marketers.

Installed base of rice processing equipment valued at about Rs 270 billion in fiscal 2018

With paddy production concentrated in a few states, rice mills too have been concentrated in high paddy-producing states, leading to a bulk of rice-milling equipment demand originating from these states. The northern and eastern regions together account for 56% of the rice-milling equipment market in India in terms of value, as they comprise the highest paddy-producing states, West Bengal and Uttar Pradesh, followed by Punjab. In the south, Andhra Pradesh and Telangana are the states with the highest rice-milling equipment demand. The top five states, namely West Bengal, Uttar Pradesh, Punjab, Bihar and Andhra Pradesh, together with Telangana, account for half of the rice-equipment market in India in terms of value.

Although Tamil Nadu is one of the states with the highest paddy production, demand for equipment is relatively low, as a significant amount of paddy is transferred to Andhra Pradesh for milling. Also, a significant number of mills in Tamil Nadu supply to the government agencies under the PDS, and hence mostly use locally manufactured, inexpensive equipment in the rice mills.

Figure 16: North India dominates the installed base of rice processing equipment in terms of value in fiscal 2018

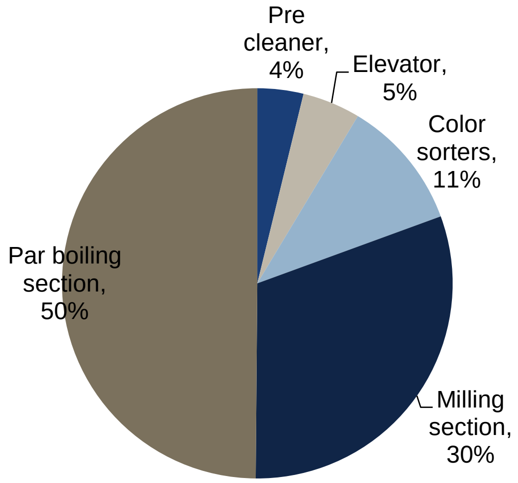


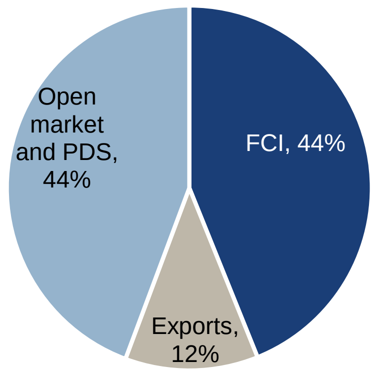
Note:
Northern states: UP, Uttarkhand, Haryana, Punjab
Southern states: Karnataka, Tamil Nadu, AP, Telangana, Kerala
Eastern states: West Bengal, Assam, Odhisha, Bihar, Jharkhand
Central & Western states, Chhttisgarh, Madhya Pradesh, Gujarat, Maharashtra
Other states: J&K, Rajasthan, Tripura, Sikkim, Nagaland, Mizoram, Manipur, Meghalaya, Himachal Pradesh, Arunachal Pradesh, Goa,
Source: Industry, CRISIL Research

Core milling equipment and color sorter offer the best opportunity

Figure 17: Par boiling equipment has the highest share in the total installed base of rice processing equipment (Fiscal 2018)

Figure 18: Installed base of rice processing equipment lowest for exports milling





Note: Milling section includes de stoner, de husker, whitener, polisher and grader.
Par boiling section includes Par boilers, boilers and dryers

Source: Industry, CRISIL Research

Of the total installed base of Rs 270 billion[1], rice milling equipment (de stoner, de-husker, whitener, polisher and grader) comprise 30% of the share (Rs 82.8 billion). Our interactions with over 100 millers and dealers suggest, the core milling equipment which are de-husker, whitener and polisher provided by Milltec are perceived to be of high quality and hence offers an opportunity of expansion.

Further, about 50% of the machinery forming part of the processing equipment portfolio in India comprises parboiling and drying equipment. Limited presence of organised players in this space offers significant opportunity to penetrate.

The installed base of par boiling equipment consisting of parboiler, boiler and dryer is high and valued at Rs 134.4 billion as 35-40% of rice consumed in India is parboiled.

Color sorters comprise an emerging market with a low installed base compared with the more evolved milling equipment segment, suggesting low penetration. However, millers are becoming more amenable to these technologically advanced product due to the immediate benefit it offers in terms of better quality of rice and hence is a fast growing market.

Colour sorters are the fastest moving equipment in a rice mill across India

Generally, millers replace their milling equipment, including de-stoners, de-huskers, whiteners, polishers and colour sorters, faster than the others. Even within the milling equipment, de-huskers, whiteners and polishers form the heart of a mill, and these machinery particularly play a key role in maintaining the quality of rice. De-huskers, whiteners and polishers are replaced within 8-10 years in a mill catering to the exports, while those catering to the open market will replace these machinery within 10-12 years.

On the other hand, colour sorters are replaced much faster within 4-5 years in an export mill and 5-6 years in a mill caterning to the open market, as the machinery are technology-intensive and need to be upgraded with technological advancements.

Other equipment such as pre-cleaners and boiling units are placed outside the mill and have a long life cycle. Many millers do not replace these machines in 15-20 years. Since these equipment involve little or relatively less technology and innovation is least in this category, millers generally prefer, they are currently being catered to largely by local manufacturers.

However, an exporting mill generally replaces these equipment too within 10-12 years to maintain quality. Also, a rice mill supplying to the open market may choose to operate locally manufactured pre-cleaners and boiling equipment, as they are not highly technologically driven and there is little difference in quality of rice cleaned and boiled by a branded equipment and a non-branded equipment

The elevator set is procured from the local manufacturers by almost all millers, as it involves little innovation and technology and is more economical if procured from local manufacturers.

[1] *Industry size / installed base has been estimated basis CRISIL's methodology and assumptions forming part of the industry report titled "CRISIL Research on Customised study for DRHP of Milltec May 2018"*

Growth drivers and key risks

Growth drivers

Quality-conscious customers shifting towards branded rice

With rising urbanisation and per-capita income, the quality consciousness of consumers has increased, leading them to opt for branded rice. Consumers who used to buy loose rice from traditional stores now choose to buy branded packets of rice, both from the supermarkets and e-retailers, which mainly sell premium brands of cereals and pulses. The rising income levels of consumers and faster penetration of online retail stores are driving the consumers towards branded rice. Also growth in PFCE which averaged 6.8% between fiscals 2012 and 2017 will drive demand for branded rice.

In the past five years (fiscals 2012 to 2017), the CAGR of leading Indian branded rice companies has ranged between 10% and 15%, largely driven by an increase in domestic sales, which trickles down to the Indian consumer purchasing more branded rice. This growth momentum is expected to continue, as consumers move up the quality ladder.

Heavy foreign direct investments (FDI) in the Indian rice milling industry in the past decade (fiscals 2008 to 2017) suggests higher growth ahead. Between fiscals 2008 and 2013, the Indian rice industry saw investments from some global players. McCormik invested in Kohinoor Foods through a joint venture in 2011. Ebro Foods, a leading pasta manufacturer, bought out the rice operations of Olam India in 2013.

On our interaction with distributors of large branded rice milling companies, brand awareness has also increased at the wholesale level, where the rice millers supply. The millers can now command a premium price from the dealers supplying to branded retailers, which was not a common practice about ten years ago.

Rice mills have entered second generation of modernisation

The first generation of modernisation is estimated to have started more than 20 years ago when demand for milled rice expanded on a large scale. Traditional mills for the first time since industrialisation felt the need to modernise in order to augment overall supply of rice through higher rice yields, quality by products like bran and husk and meet the changing needs of customers. Legislative measures and promotional efforts by the government in the form of technical assistance, subsidies for modernization, financial concessions, training and research and development also contributed. Since then, the milling industry has had to adopt to the changing pattern of demand for rice and more recently the rising demand for better quality rice. Yet, several mills catering to rice production under the government's procurement system remained insulated from development. Over the years, as rice production has steadily increased, FCI procurement has not kept pace with it in many states, leading to mills opening up to the market requirements by upgrading and competing.

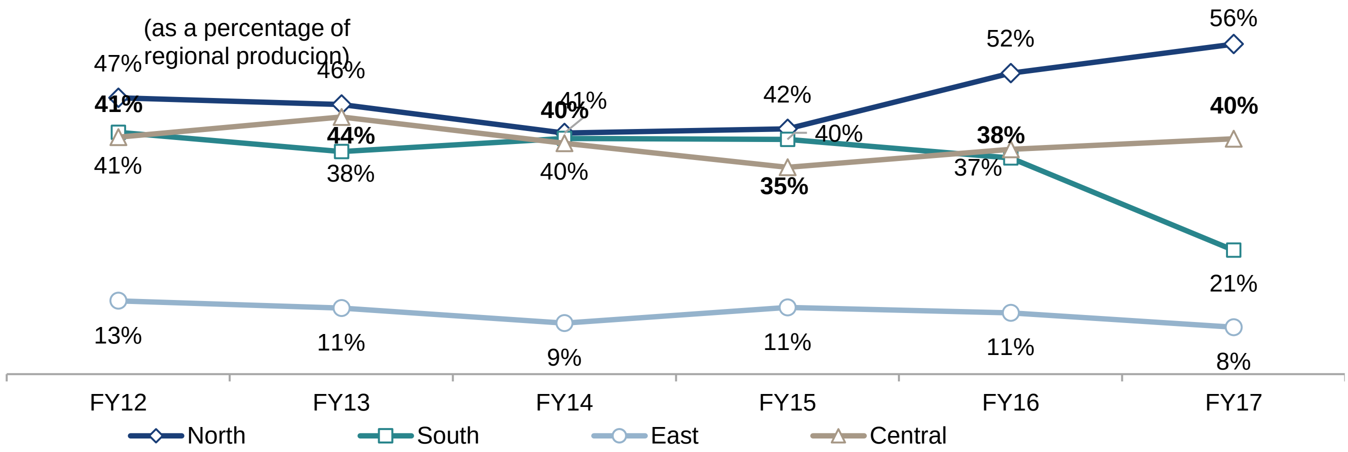
Soon enough, even the FCI raised their quality requirements in the past few years, as food security received more attention. Lower tolerance for broken rice, unpolished rice etc. required even government supplying millers to look at upgrading equipment. In 2015, the practice of "levy rice" where mills had a fixed proportion for public distribution system, was done away with which again forced millers to upgrade. More recently even the milling and sorting equipment technology, especially for equipment's in high demand recently like colour sorters, have undergone technological upgradation leading to a faster replacement being witnessed for core equipment's in several cases based on our interactions. To be sure, several studies have shown modern equipment to have an advantage in terms of higher yield and better realisations for higher quality of output. The demand side dynamics and availability of better technology for several equipment will drive growth in milling equipment sales over the next few years.

Lowering of FCI procurement pushing millers towards better quality

Several mills catering to rice production under the government's procurement system remained insulated from development. Over the years, as rice production has steadily increased, FCI procurement has not kept pace with it in many states, leading to mills opening up to the market requirements by upgrading and competing.

Until 2015, The Central government had the decade-old practice of 'levy rice', where mills were directed to procure paddy from farmers at the MSP and supplied milled rice to the government agencies, which would then be distributed to economically backward families.

Figure 19: FCI procurement has declined significantly in the southern region



Note: Data points represent FCI procurement in each region as a percentage of rice production in that region

Source: Food Corporation of India, Ministry of Agriculture, Industry, CRISIL Research

With procurement for FCI stopped or declining in a few states, millers are directing their sales towards the open market, which demands high quality and fetches higher realisation compared with FCI procurement. To meet the standards of the open market and exports, millers are opting for machinery with the latest technology and better quality.

High replacement demand along with shortening replacement cycles

The first generation of modernisation is estimated to have started 15-20 years ago and many milling players are indicating an early trend in replacement. The replacement cycle of machinery is expected to peak up to Fiscal 2021 as most millers who modernized their mills 15-20 years ago, would be in need of new machinery now. For larger players, shortening of their replacement cycle is expected as these players tend to upgrade their machinery at a faster pace in line with changing technology. Shortening of replacement cycles is more prominent in the case of larger players and highly-profitable millers as they are expected to maintain the quality of their output. Also, for certain value-added machines, such as colour sorters, the inclination to replace is faster.

Availability of better technology with more options at competitive prices

The dynamic technological changes with new types of machinery and newer additions to the existing machinery lead to higher quality or efficiency, especially in the colour sorters segment. It has now become necessary for a mill to keep its machines upgraded and possess all the machines that would improve the quality of rice and efficiency of mill to stay in the market. For example, a number of mills did not operate colour sorters a decade ago and discoloured rice was often sold in the market. However, with consumers demanding high quality of rice, all millers are being forced to use a colour sorter to obtain the required realisation, especially in the open market. New categories of equipment have emerged. For instance, the use of silos was very rare in the Indian rice milling industry and almost all rice mills stored paddy in godowns. However, with the penetration of modern machinery, about 5% of mills in India are estimated to be using silos. The length grader too was a rarely used machinery that is now widely used.

Consolidation in rice milling space

With the competitive intensity increasing in the rice milling market in the recent past, the smaller mills have found it difficult to survive and hence shut shop, as they experienced deep losses. Larger mills, which could survive competition, took over the market of the smaller mills by expanding capacities. The consolidation is expected to continue over the next few years, as the open market and the export market are expected to expand gradually, further increasing competition

For example, in the south, many of the mills only catered to the FCI and had low-capacity mills (0-2 tonne per hour) with locally manufactured machinery. They earned moderate margins by supplying rice to the government agencies. However, with the reduction in procurement of FCI from the southern states, these mills were forced to sell in the open market. These mills could not survive the stiff competition in the open market, due to the low quality of their output, and hence had to shut down their mills. This gave the larger mills an opportunity to expand and take over the market share of numerous such smaller mills.

Capacity expansion in key states

The penetration of milling is low in a few key states, such as Uttar Pradesh, Uttarakhand, Bihar, Madhya Pradesh, and the north-eastern states where paddy is grown. Madhya Pradesh, being a new market in rice milling, is expected to witness the establishment of new rice mills over the next few years. With subsidy being provided for setting up rice mills, new capacity additions are expected to happen in this region

Risk to the rice milling equipment industry

Lower paddy production

With low penetration of irrigation facilities in India for a high water-intensive crop such as paddy, the cultivation and growth of paddy is highly dependent on monsoons. In the years of below-average monsoons, millers face difficulties in procuring paddy for milling. This leads the mill's capacity to be underutilised, affecting its profitability. When the mills have lower profitability and thinner margins, they are less likely to go for value addition, upgradation or replacement of their equipment, thus directly affecting the sales of the rice-milling equipment industry

For example, In Karnataka, with below-average monsoons for three consecutive years and the reservoir levels being about 40% lower, many farmers moved away from paddy and chose other crops that required lesser water. This impacted paddy production in Karnataka, which fell at a 3% CAGR from the crop year 2014 to 2017. This impacted the procurement of raw material for the millers in Karnataka, which had to resort to importing paddy from the neighbouring states. This increased their cost of raw material, leading to lower profits.

Increasing competitive intensity from domestic and international manufacturers

The domestic rice-milling equipment manufacturers have the threat of competition from local and international manufacturers. The Chinese machinery manufacturers compete with those in India on price points, as Chinese machinery is often available at a fraction of the cost of those manufactured in India, because of the lower labour costs. On the other hand, the machinery from Japan, Thailand, Germany and Switzerland compete with Indian manufactureres on quality, with their superior technology and durability. The increasing brand launches and aggressive marketing strategies, followed by competition, is a key risk to the Indian machiner manufacturers.

Financing issues faced by millers

Banks are becoming increasingly cautious to lend to millers, because of the rising non-performing assets in the banking industry. Millers that avail of loans from banks choose to purchase machinery that offers higher credit period to maintain their liquidity. Hence, equipment manufacturers that offer longer credit periods are likely to gain market shares. Our interactions with dealers showed that Satake offers the longest credit period of three years, while Buhler, Milltec and other Indian manufactuers offer 1-1.5 years of credit.

PULSE PROCESSING

Trends in production and import of key pulses (Tur, gram and urad)

India achieves pulse self-sufficiency for 2 years in a row

India is the largest producer of pulses in the world, contributing to 25-28% of the total global production. Globally, ~90% of tur (pigeon pea) and 75% of bengal gram (chickpea/chana) is produced in India. Madhya Pradesh is India's largest pulse producing state, followed by Maharashtra and Rajasthan.

Significant part of pulses in India are grown in low fertility soils and unpredictable environmental conditions. Less than 15% of the acreage under pulses is irrigated, reflecting a huge dependence on monsoon. Pulses are climate resilient crops but susceptible to biotic stress since they are rich in nitrogen and phosphorus, making them attractive to insects, pests, and diseases.

Table 3: Profile of key pulses in India

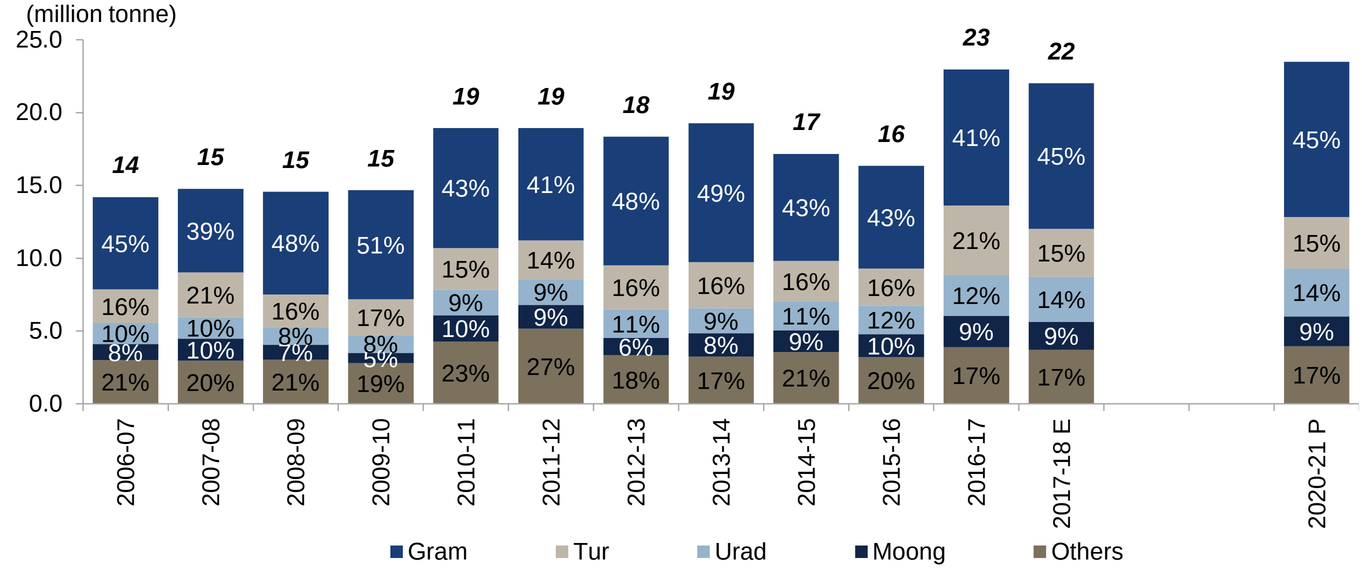
Crop	Bengal Gram (Rabi)
Major States* (% share in production)	Madhya Pradesh (48%), Rajasthan (12%), Maharashtra (11%), Karnataka (9%)
Average 5 year yield, Kg/ha#	India (932) Madhya Pradesh (1100),Rajasthan (842) Maharashtra (752), Karnataka (619)
Water Requirement	250-400 mm (Low)
Key Uses	Human Food, Food processing, Animal feed
Crop	**Tur (Kharif)**
Major States* (% share in production)	Madhya Pradesh (24%), Maharashtra (22%), Gujarat (10%), Karnataka (9%)
Average 5 year yield, Kg/ha#	India (725) Madhya Pradesh (819), Maharashtra (692), Gujarat (1092), Karnataka (557)
Water Requirement	600-650 mm (medium)
Key Uses	Human Food
Crop	**Urad (Kharif and Rabi)**
Major States* (% share in production)	Madhya Pradesh (27%), Andhra Pradesh (21%), Uttar Pradesh (13%)
Crop season (% share in production)	Kharif (65%), Rabi (35%)
Average yield, Kg/ha#	India (573) Madhya Pradesh (475), Andhra Pradesh (837), Uttar Pradesh (542)
Water Requirement	600-750 mm (medium)
Key Uses	Human Food, Animal feed
Crop	**Moong (Kharif and Rabi)**
Major States* (% share in production)	Rajasthan (37%), Andhra Pradesh (9%), Tamil Nadu (8%), Madhya Pradesh (8%)
Crop season (% share in production)	Kharif (65%), Rabi (35%)
Average yield, Kg/ha#	India (418) Rajasthan (437), Andhra Pradesh (646), Tamil Nadu (523), Madhya Pradesh (444)
Water Requirement	250-500 mm (medium)
Key Uses	Human Food, Animal feed

Note: * Production output year considered: 2015, # average of 5 years from Crop year 2011-12 to Crop year 2015-16

Source: CRISIL Research

India's major food crops - rice and wheat - get higher benefits than pulses, owing to significant procurement by the government at minimum support prices (MSP) and inclusion in the public distribution system (PDS). On the other hand, procurement of pulses has been minimal and so have been sales through the PDS. Therefore, Indian farmers are inclined to grow either rice and wheat or cash crops such as cotton, sugarcane etc., and relegating pulses to a second choice for cultivation

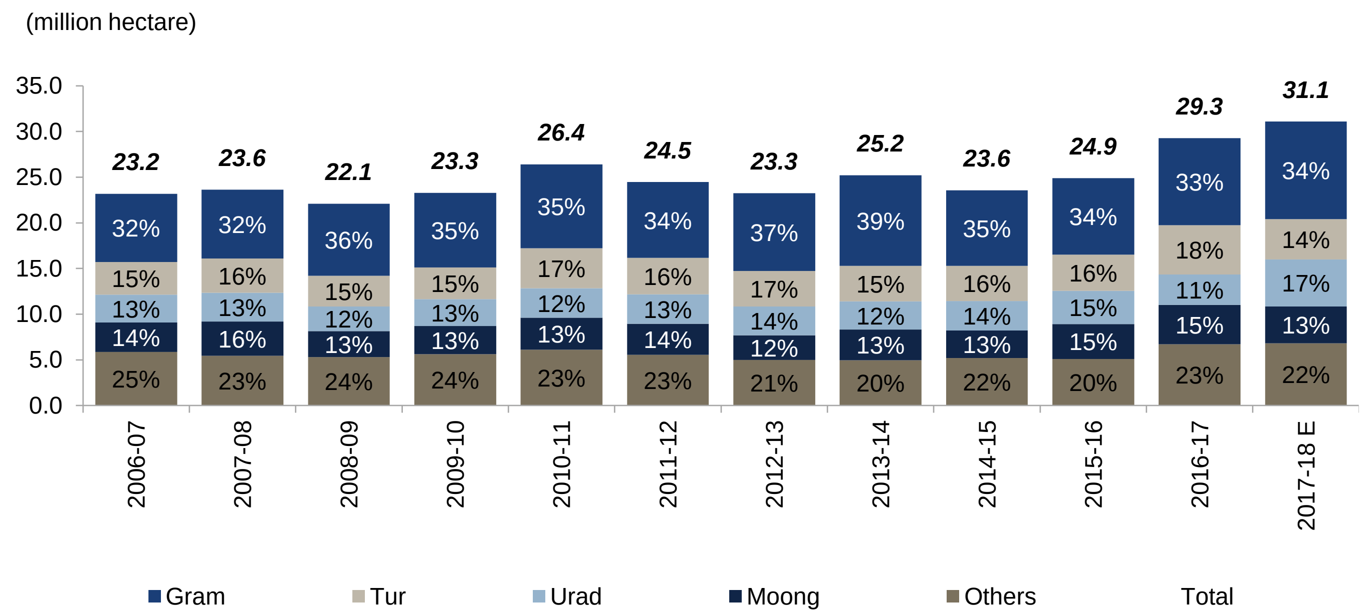
Figure 20: Production to be 18-20% above decadal average in Crop year 2017-18



Note: Years plotted on chart are crop years (July to June)

Source: Department of Economics and Statistics, CRISIL Research

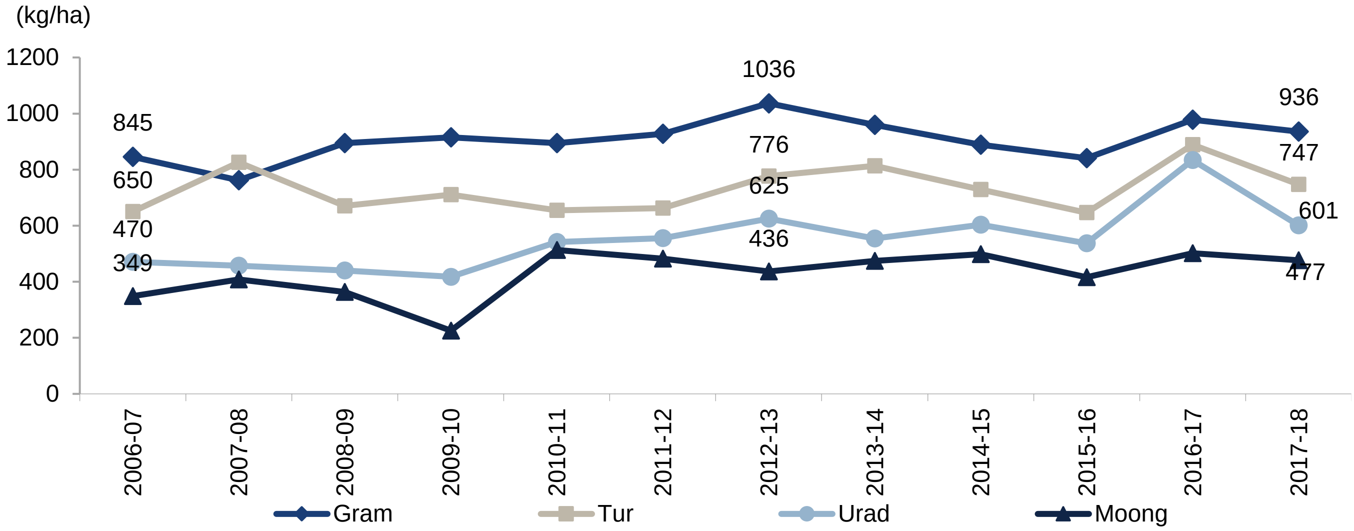
Figure 21: Average under pulses increased ~6% on year in Crop year 2017-18



Note: Years plotted on chart are crop years (July to June)

Source: Department of Economics and Statistics, CRISIL Research

Figure 22: Yields improved across pulses in the past decade



Note: Years plotted on chart are crop years (July to June)

Source: Department of Economics and Statistics, CRISIL Research

CRISIL Research estimates the overall production of pulses in Crop year 2017-18 at 22 million tonne which is 18-20% more than the past decadal average, largely owing to an increase in sown area under pulses such as gram and urad. However, production is estimated to be lower than that in Crop year 2016-17, on account of lower expected yield owing to erratic monsoon.

As can be seen from the chart yields of pulses have gradually improved since Crop year 2006-07. A significant growth was achieved by till Crop year 2012-13, however yields dropped between 2012-13 to 2015-16, owing to drought situation in the country. Going forward there is a large scope for improvement as yields in India are lower than global average. For example, domestic yield of Tur is 14-15% lower than global average while, Gram yield is lower by 5-6% than global average.

Under the centrally sponsored scheme of National Food Security Mission (NFSM), the government plans to achieve production of 24 million tonne through use of hybrid and high-yielding seed varieties and area expansion by fiscal 2021. It has proposed to establish 150 seed centres in 3 years, through which it will ensure availability of 1.50 lakh quintal improved seeds to farmers. But there still persist many challenges in pulse farming, such as erratic pulse prices, large dependence on monsoon, low distribution of pulses in PDS, and low procurement by government, which are likely to hinder growth in production.

Government lifting of exports ban to boost pulse value chain; effect yet to fructify

Exports of pulses have been minimal along the way, owing to an export ban imposed in 2006 on most pulses except a few varieties. In value terms, exports in fiscal 2017 stood at Rs 13 billion. In order to shore up distressed prices, the Government of India lifted the 10-year-old ban on exports of tur, urad, and moong in September 2017. We believe this policy change would benefit the entire pulses value chain starting from farmers. However, it is likely to take time to fructify, owing to two major challenges - stiff competition in pricing from countries like Canada, Myanmar, and African nations, and low quality of processed pulse.

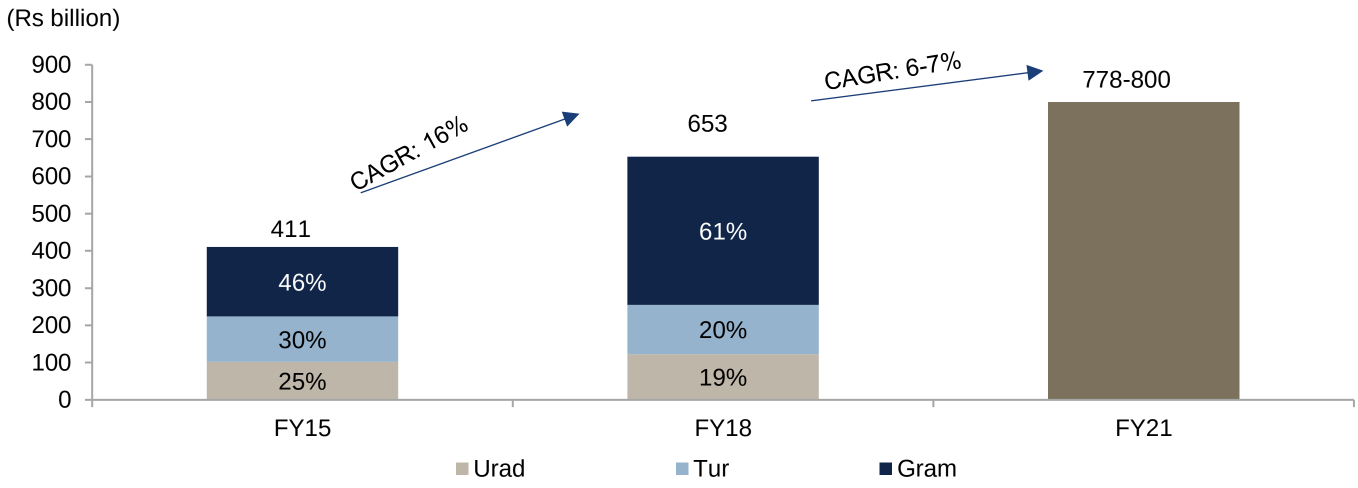
Indian pulses face stiff completion on the pricing front in international market from countries like Canada, Myanmar, and Australia, which are the largest producers of pulses. Also processing of pulses in India has been constrained by a fragmented market and the absence of economies of scale. This has led to lowering of their quality, and hence, their chances of clearing the strict phytosanitary norms imposed by European and other countries. However, in the long run exports are expected to pick up as domestic as well International players plan to set up large scale mills with modern high-end equipment in India.

Sizing and growth outlook for milled pulse industry

Domestic milled pulse market pegged at Rs 650 bn in fiscal 2018

CRISIL Research estimates the domestic milled pulse industry to reach Rs 775-800 bn in fiscal 2021. The industry is expected to grow at a healthy compounded annual growth rate (CAGR) of 6-7% between fiscals 2018 and 2021. Growth will come from a rising demand for pulses, driven by increasing population coupled with higher per capita pulses consumption, owing to a rise in income levels.

Figure 23: Milled pulse industry expected to grow 6-7% CAGR up to Fiscal 2021



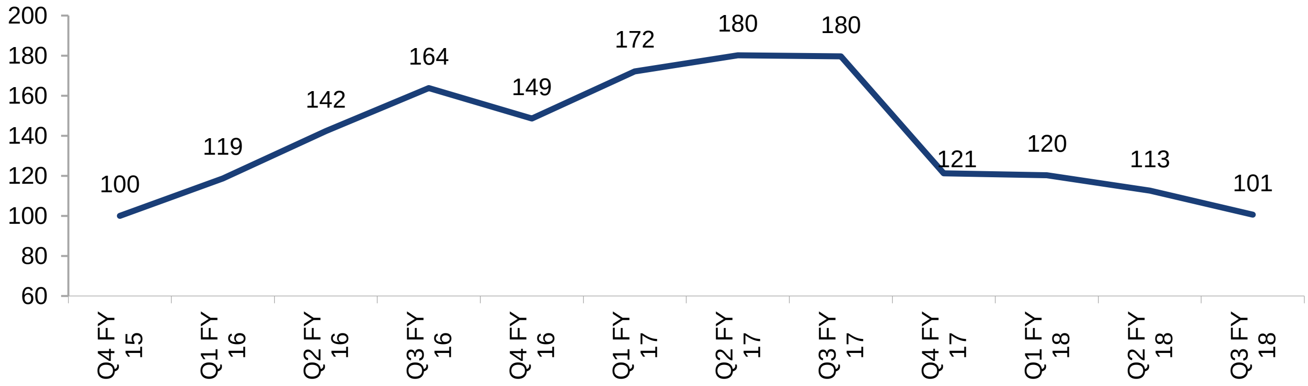
Note: Pulses considered for sizing include Gram, Tur and Urad
Source: CRISIL Research

Consumption: Given that the protein consumption has been low in India (estimated at 61 gms/day in 2012 as per NSSO vs. global average of 77 gms/day as per India pulse and grain association), pulses consumption is expected to grow at healthy rate as they are inexpensive source of protein. Per capita consumption of pulses has also been on uptrend in the past. As per the National Sample Survey Office (NSSO), per capita consumption of pulses per month rose by 77-78 gm between fiscals 2005 and 2012, from 705 gm/month to 783 gm/month in the rural sector and from 824 gm/month to 901 gm/month in the urban sector. Also, expenditure per month rose from Rs 18 to Rs 42 in rural areas, and from Rs 24 to Rs 54 in urban areas.

Realisation: Bumper crop leading to record production of 23 million tonne, coupled with 6 million tonne of pulses imports, led to a sharp fall in realisation of pulses in India in fiscal 2018.

Realisation is, however, expected to grow 5-6% CAGR up to fiscal 2021, owing to multiple government initiatives for lifting pulse prices. Major government initiatives include capping of import of pulses to control supply in the domestic market. It has also lifted stockholding limits on pulses as supply has been healthy and proposed to build up two million tonne of pulses stocks by buying when prices are low. In Union budget 2018-19, the government also proposed to provide MSP of 1.5 times that of cost of production for crops produced in 2018 and establish a mechanism to finance the price deficit for crops with mandi prices below the MSP which will benefit vulnerable crops (owing to fragmented unirrigated lands) like pulses.

Figure 24: Pulses price index: Mandi prices crash to Q4 Fiscal 2015 levels



Note: Prices considered for calculation of index are weighted average prices of tur, urad, and gram
Source: CRISIL Research

Value chain and sizing for equipment industry

Milling process varies according to pulses

Pulses are mostly consumed in split form. Approximately 75% of the total pulses supply goes for milling, 10% is retained for sowing, and 15% is consumed as whole grain.

Based on processing, pulses can be classified into ‘easy to process’ and ‘difficult to process’. The ease or difficulty of processing depends on the strength of the bond between the husk (seed coating) and the seed (cotyledon). Gram (chana), lentils, and peas are easy-to-mill pulses owing to the loose bond between husk and the seed, while tur, moong, and urad are difficult-to-mill pulses owing the strong bond between the two.

Milling of pulses can be classified into three basic steps:

1. Loosening of husk, involving loosening the bond between the husk and seed.
2. Removal of husk
3. Splitting whole grain into two halves

Typical equipment investment required in a small-scale mill of average size of 1.25 TPH is around Rs 10 to 12.5 million, while for large scale mill of average size 2.5 TPH it is around Rs 17.5 to 22.5 million depending upon of quality of machinery used.

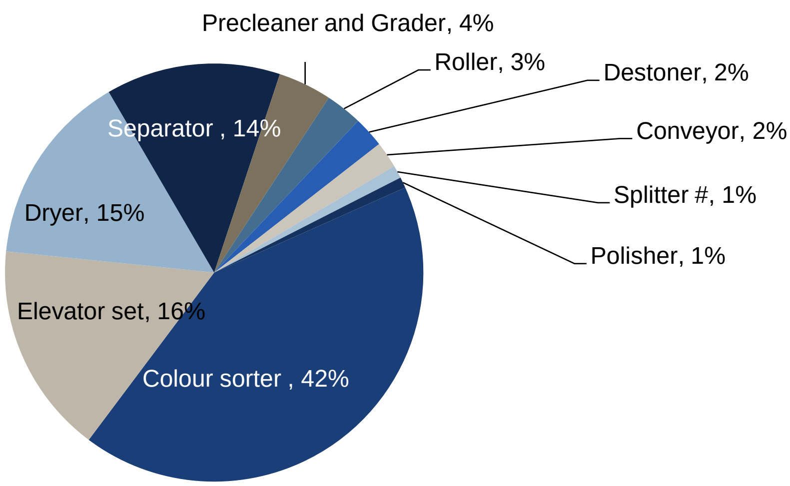
Installed base of pulse mill equipment valued at Rs 34 billion in fiscal 2018

Pulse mill Industry is highly fragmented and unorganized in nature. CRISIL Research estimates that around 13000 to 15000 pulse mills are located across the country. Of this 65% of mills fall in small scale segment (average size 1.25 TPH), while 35% are of large scale segment mills (average 2.5 TPH per hour). Higher presence of small scale mills is mainly on account of high working capital requirements. Approximately 85-90% of these mills are fabricated by local fabricators as per the space and process requirement of the pulse. Methods and machinery used by these fabricators for developing equipment often lack precision and accuracy, leading to poor pulse recovery and energy losses.

Given the intense competition due fragment nature of the Industry, millers especially in the large-scale segment, have started upgrading their locally fabricated machineries to high end machinery in order to improve operating efficiency of the plant and thus reduce cost of production. Mills of size larger than 8 THP, with high end equipment have also been attracting investment, however number of such mills is estimated to be few at around 150-200 at pan India level.

The installed base of pulse processing stands at Rs 34 billion[2] in fiscal 2018. The largest value is derived from colour sorter machines, followed by elevator sets and dryers.

Figure 25: Colour sorter has the highest share in equipment installed base (Fiscal 2018)



Note: Splitter#: Includes both, attrition type *(chakki)* and impact sheller type *(fatka/patka machine)* splitters
Source: CRISIL Research

Key takeaways

The colour sorter machine derives highest value as it the costliest machine installed in a pulse mill (Refer price table). Although the price of an elevator set is low, it has the second-largest share since the quantity of elevators sets required in a pulse mill is high. Small capacity pulse mill (a*verage size 1.25 tonnes per hour)* require approximately 20 sets while large mills (a*verage size 2.5 tonnes per hour*) require 40 sets.

- CRISIL Research estimated 85-90% of the machines are fabricated by local manufacturers/fabricators who make

[2] *Industry size / installed base has been estimated basis CRISIL's methodology and assumptions forming part of the industry report titled "CRISIL Research on Customised study for DRHP of Milltec May 2018"*

machines as per the available space and process requirement.

- However, the use of sophisticated machinery is rising. This is especially in large capacity mills where millers are upgrading equipment to raise operating efficiency.
- Adoption of high-end machinery is higher in pre cleaners, grading, and separators, as upgrading this machinery results in higher operating efficiency compared with replacing other pulse mill machinery.

Replacement cycles are around 10-15 years for all equipment except the color sorter

Replacement cycle for all the equipment used for pulse processing except colour sorter is around 10-15 years. However, our interactions suggest since majority of the parts of machineries are replaceable, some millers extend these to even 20-25 years. On the other hand, replacement cycle of colour sorters is ~6-7 years

Table 4: Price range for pulse mill equipment

Equipment	Local price range (000' Rs)	High-end machinery price range (000' Rs)	Preferred supplier
Pre cleaner and grader	150 to 250	400 to 600	Local, Buhler, Milltec
Separator	150 to 250	400 to 600	Local, Buhler, Milltec
De stoner	100 to 200	300 to 500	Local
Dryer	NA	400 to 500	Local, Sun Pak Kiln
Conveyor	20 to 30	NA	Local
Roller	60 to 80	400 to 600	Local
Splitter	30 to 50	NA	Local
Color sorter	NA	4000 to 5000	Deawon, Buhler, Milltec
Polisher	60 to 100	NA	Local
Elevator set	50 to 100	NA	Local

Source: CRISIL Research

Growth drivers and key risks

Growth drivers

Demand for high end machinery to increase, as millers upgrade to improve operating efficiency

The machinery used for pulse processing is mostly fabricated by local artisans who use conventional manufacturing methods. As a result, the operating efficiency of the machinery is sub-optimal. Therefore, given the intense competition due to the fragmented nature of the industry, mills, especially of higher capacity, have been upgrading their machines to lower the cost of production. Adoption of machineries such as those manufactured by Buhler, Milltec, and Satake is rising as these provide better operating performance than local fabrications. It is estimated that time required for processing by these machineries is 15-20% lower, than locally manufactured machineries, while requirement for power is 10-15% lower. Millers have also report lower maintenance requirements for such machinery.

In September 2017, for promotion of pulse exports, government of India lifted decadal ban on exports. However, currently Indian pulses face stiff competition owing to lower prices and higher quality offered by countries like Canada, Myanmar, and Australia. Therefore, in order to compete in international market, there is need for higher efficiency and large-scale plant in order to benefit out of economies of scale. This is likely to boost demand for high end machinery in medium term. Players from Australia and Canada have also proposed to setup exports oriented mills in India, which is also likely to boost demand for high end machinery.

Government schemes to provide financial assistance to food processing industry

Currently, the government provides financial assistance to establish food processing units as well as upgrade the technology and expand existing units. The ministry of food processing industries extends financial assistance in the form of grant-in-aid to entrepreneurs at:

- 25% of the cost of plant and machinery and technical civil works, subject to a maximum of Rs 50 lakh in general areas
- 33.33%, subject to a maximum of Rs 75 lakh, in a few specific areas

The National Bank for Agriculture and Rural Development has set up a special fund of Rs 2,0 billion to provide an impetus to the food processing sector. It proposes to provide term loans of up to 75% of the project cost to corporates, companies, special purpose vehicles, joint ventures, and individual entrepreneurs. The loan can be availed for new developments as also the modernisation and augmentation of food processing plants in designated food park areas. As on September 30, 2017, loans worth Rs 5.2 billion had been sanctioned and Rs 2.25 billion disbursed.

These schemes will likely support investment in machinery upgradation, as millers are increasingly adopting high-end machinery to increase efficiency and lower cost.

Table 5: Key geographies

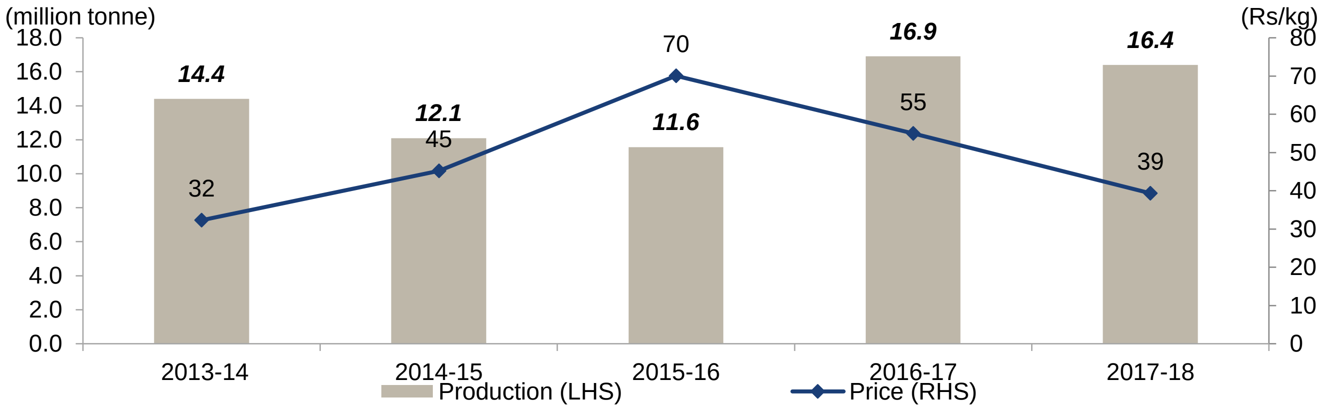
Pulse	Major processing states
Tur	Madhya Pradesh, Uttar Pradesh, Maharashtra, Gujarat, Karnataka, Tamil Nadu, and Bihar
Gram	Uttar Pradesh, Rajasthan, Maharashtra, Delhi, Haryana, and Madhya Pradesh
Urad	Andhra Pradesh, Orissa, Tamil Nadu, Karnataka, and Bihar

Key risks

Price volatility: Volatility in the prices of pulses has been the highest risk faced by pulse millers. This volatility is the result of the fluctuating supply of pulses. Since a majority of pulses are grown in rain-fed areas, production has been erratic over the years. The chart below illustrates production* fell in crop years 2014-15 and 2015-16 owing to a dry spell in the country, which led to a steep rise in the prices of pulses. This was followed by record production in crop year 2016-17 owing to better yields, led by a favourable monsoon and higher sowing by farmers who increased acreage encouraged by the high prices fetched in crop year 2015-16. However, this bumper supply led to a crash in prices in crop year 2016-17. Pulses production in crop year 2017-18 is also estimated to be above the normal level of 14 million tonnes *(average production of the past five crop years*), owing to which prices till date (January 2018) have remained depressed.

Production: Includes production of tur, urad, and gram*

Figure 26: Prices crashed in crop year 2016-17 owing to bumper production



Note: Production plotted in the chat above includes production of only tur, urad, and gram. Prices are daily weighted average prices of the three pulses.
Source: Agmarknet, Directorate of Economics & Statistics, CRISIL Research

A sharp rise or fall in the prices of pulse results in lower capacity utilisation and thinner margins for millers. This results in procrastination of decision by millers regarding upgradation of machinery.

Low barriers to entry: Technology used in pulse mill equipment manufacturing is simple and easy to imitate. Owing to this, the barrier for entry to manufacture pulse equipment is low. This is evident from the presence of a large number of local artisans/fabricators who supply 85-90% of the dal mill equipment. Prices at which equipment has been manufactured by local manufacturers is reported to be 2 to 4 times lower compared with high-end machinery manufactured by Buhler, Milltec, Satake, etc. Therefore, millers, especially small-scale millers, have been reluctant to upgrade to high-end machinery.

MAIZE PROCESSING

Trends in production

India's maize production in crop year 2017 highest in a decade

Globally, maize is the highest produced cereal crop. According to the United States Department of Agriculture, total global maize production stood at ~1,075 million metric tonne (MT) in 2016-17 (October to September). US is the largest maize producer and exporter in the world. China Brazil, Ukraine, and Argentina are among other key maize producing countries.

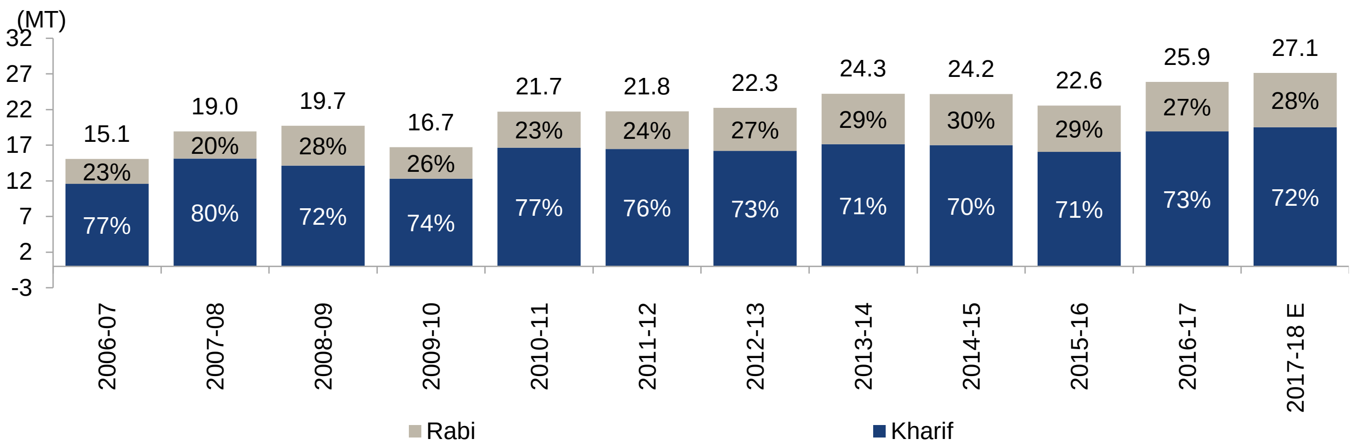
Maize is an important staple in many countries. It is also used as animal feed and in several industrial applications. The crop has tremendous genetic variability, which enables it to thrive in tropical, subtropical, and temperate climates.

In India, maize is the third-largest crop grown, after rice and wheat. The total land area under maize cultivation was ~10 million hectare in crop year 2017 (crop year in India is from July to June). Maize produced in India is mostly consumed domestically for making value-added products. The crop is a primary source of starch, which is used in the textiles, newspaper, food, and pharmaceutical industries. Other processed by-products are ethanol and cattle and poultry feed, in the form of germ, gluten, and husk.

Table 6: Crop profile

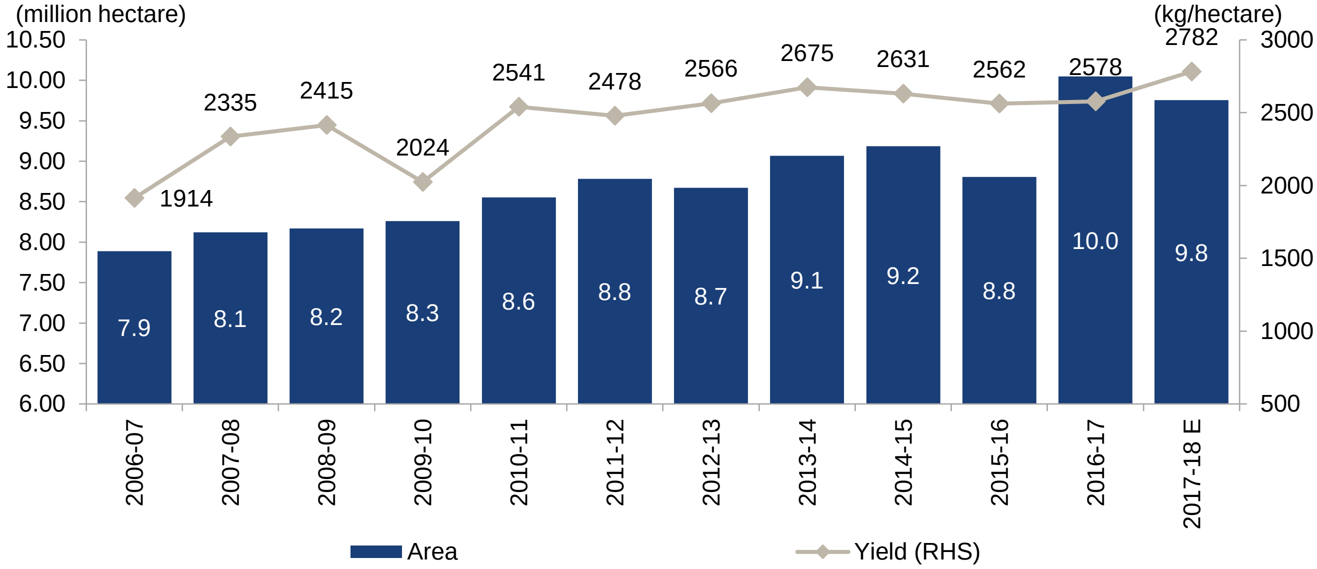
Crop	Maize (kharif and rabi)
Major states* (% share in production)	Karnataka (15%), Andhra Pradesh (14%), Tamil Nadu (11%), Bihar (11%), Madhya Pradesh (11%), Rajasthan (8%), and Uttar Pradesh (6%)
Season-wise production (% share in total production in crop season 2017)	Kharif (73%), rabi (27%)
Total production in crop year 2017	25.9 million tonnes
Average 5-year yield, kg/ha#	India (2584) Karnataka (2887), Andhra Pradesh (4476) Tamil Nadu (5680), Bihar (3155), Madhya Pradesh (1882), Maharashtra (2272)
Pan India yield (kg/ha) in crop year 2017	2,612
% area irrigated under the crop ^	27%
Water requirement (mm/total growing period)	500-800 mm (medium)
Key uses	Human food, animal feed, chemical products, bio-fuel

Figure 27: Maize production grew ~5.5% CAGR in the past decade



Note: The 2017-18E and 2016-17 production figures are according to the second estimates and the final estimates, respectively, released by the Directorate of Economics and Statistics
Note: Data is for crop year
Source: Directorate of Economics and Statistics, CRISIL Research

Figure 28: Area under cultivation and yield for maize has structurally risen in the past decade



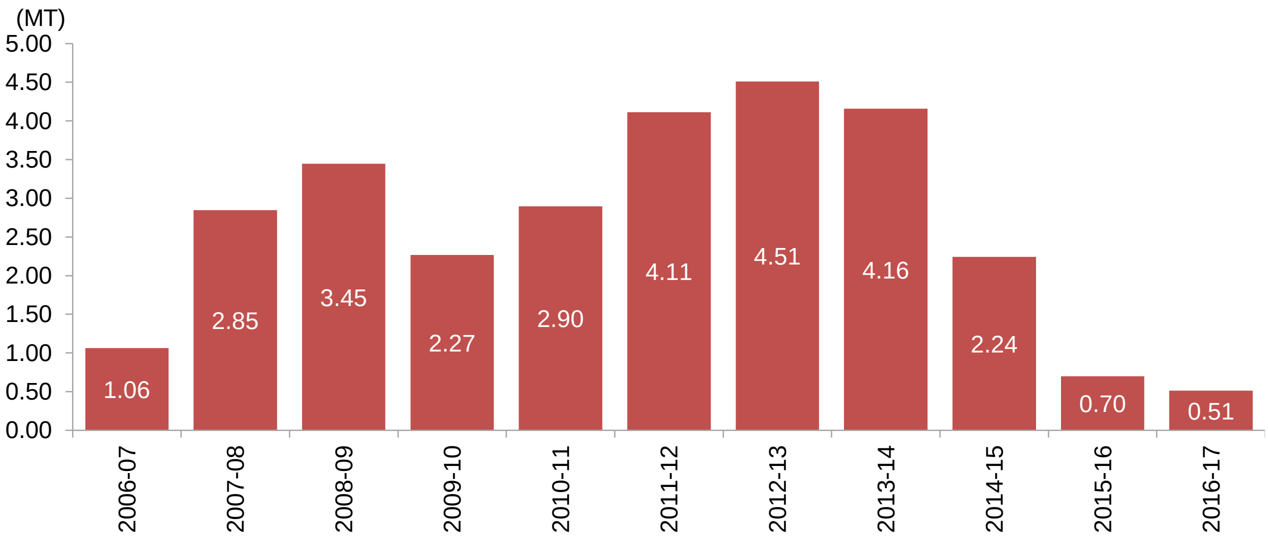
Note: Data is for crop year

Source: Department of Economics and Statistics, CRISIL Research

Exports account for less than 2% of production

India exports a very small proportion of its total maize production. Exports were ~ 0.51 MT in crop year 2017, or merely ~2% of total production. Maize exports have registered a significant decline since crop year 2013, when exports stood at 4.5 million, representing ~20% of the total production that year.

Figure 29: Export fell ~89% between crop years 2013 and 2017



Source: UN COMTRADE, CRISIL Research

India witnessed an increase in exports in crop year 2007-08 because of increased production in the country and higher demand and realization in the export market. The declining trend in exports from crop year 2014 onwards can be explained by changes in MSP that led domestic maize prices to overshoot global prices by 20%. MSP for maize rose at ~14.2% CAGR from Rs 880/quintal in crop year 2010-11 to Rs 1,310/quintal in crop year 2013-14; one of the fastest increase among crops. Also, key corn producing nations in North and South America experienced an oversupply, resulting in lower prices in the global market, making Indian prices uncompetitive. Thus, exports from India have remained low since then.

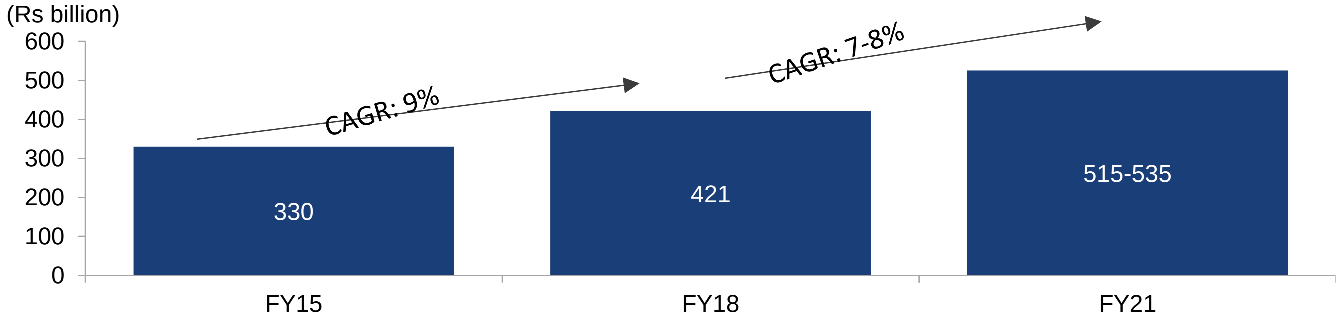
Increasing demand for from the domestic feed and starch industry, low international realizations and high global supply is expected to keep exports low from India. Currently, top countries importing from India are Nepal, Sri Lanka, Bangladesh, and Philippines.

Size and growth outlook for the processed maize industry

Domestic industry pegged at Rs 421 billion in fiscal 2018

The domestic processed maize industry is valued at Rs 421 billion for fiscal 2018, with dry milling accounting for 82% (Rs 346 billion) of the total processing and wet milling, for 18% (Rs 74 billion). CRISIL Research expects the industry to grow at 7-8% CAGR between fiscals 2018 and 2021 to Rs 515 -535 billion. Growth will be driven by a rise in consumption in both households and industrial sectors, coupled with a rise in demand for cattle and poultry feed.

Figure 30: Processed maize industry expected to grow at 7-8% CAGR

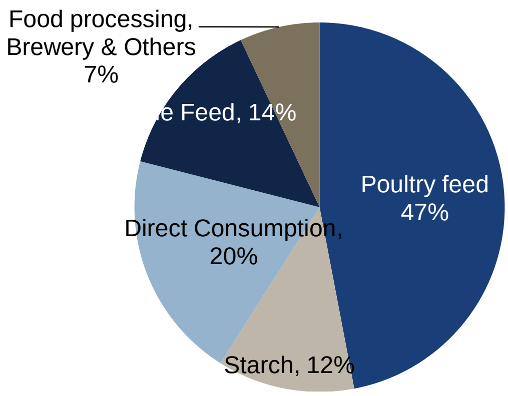


Source: CRISIL Research

Value chain and sizing for equipment industry

Maize finds application in multiple areas and is equally important for industrial use, human consumption, and production of poultry and cattle feed. Out of the total maize production, only 20% is used for direct consumption and 80% is processed as value added products.

Figure 31: Poultry feed dominates maize consumption



Source: CRISIL Research

Maize can be processed in two ways dry milling and wet milling. The processing method is selected on the basis of the value added product that is required.

Dry maize milling installed equipment valued at Rs 14 billion in fiscal 2018

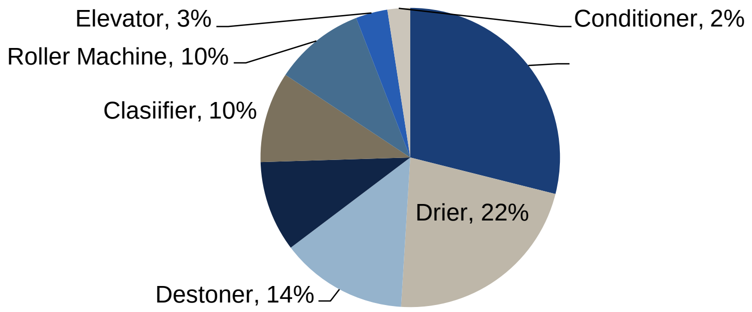
The dry maize milling industry is highly fragmented and unorganised. CRISIL Research estimates that 6500-7000 dry maize mills are located across the country. Most of these mills are in the small scale sector. There are also many mills which take up only one/some parts of the processing, such as grinding, or are only involved in de-germing and grading of the kernels. Generally, dry milling units have a crushing capacity of 1 tonne per hour (TPH) with a typical equipment investment of Rs 2-2.5 million.

The installed base of dry maize milling equipment is valued at Rs 14 billion in fiscal 2018. The largest value is derived from specific gravity separator machines, followed by dryers and destoners.

Most of the dry maize milling equipment suppliers are small and non-branded. They supply to a particular region and a very few brands have a pan India presence. The few equipment suppliers with pan India presence cater to big players with large capacities who can afford to install expensive machinery. There is a lack of branded equipment manufacturers which can supply machinery at affordable rate to small processors.

Note: Total equipment value is at current prices (2017-18). For more details refer to methodology.

Figure 32: Specific gravity separators account for 29% of the total installed base of dry maize milling equipment



Source: CRISIL Research

Growth drivers and risks

Growth drivers

Growing demand for animal and poultry feed

Poultry feed is the largest demand driver for the maize processing industry, accounting for ~47% of the total use of maize production. Cattle feed accounts for ~14%. Going forward, demand for maize will be fuelled by population growth and increasing inclination towards higher protein consumption in the form of meat and eggs. The poultry industry is expected to grow at a CAGR of 11-13% from 2017-18 and 2019-20. Per capita consumption of poultry meat and eggs is projected to be 3.5 kg and 69 eggs, respectively, for fiscal 2018, and is expected to rise to 4 kg and 75 eggs, respectively, by fiscal 2020.

Feed constitutes 65-75% of the total input cost for the poultry industry. The increase in demand for animal and cattle feed will drive demand for maize processing, which will thereby help the maize processing equipment industry. Considering that most plants are small and fragmented, they will have to incur capital expenditure and purchase more equipment in order to increase production.

Government schemes to provide financial assistance to the food processing industry

Currently, the government provides financial assistance to establish food processing units as well as upgrade technology and expand existing units. The Ministry of Food Processing Industries extends financial assistance in the form of grants-in-aid to entrepreneurs at:

- 25% of the cost of plant and machinery and technical civil works, subject to a maximum of Rs 50 lakh in general areas
- 33.33%, subject to a maximum of Rs 75 lakh, in a few specific areas

The National Bank for Agriculture and Rural Development has set up a special fund of Rs 20 billion to provide an impetus to the food processing sector. It proposes to provide term loans of up to 75% of the project cost to corporates, companies, special purpose vehicles, joint ventures, and individual entrepreneurs. The loan can be availed of for new developments as also the modernisation and augmentation of food processing plants in designated food park areas. As on September 30, 2017, loans worth Rs 5.2 billion had been sanctioned and Rs 2.25 billion disbursed.

These schemes will likely support investment in machinery upgradation, as millers are increasingly adopting high-end machinery to increase efficiency and lower cost.

Key risks

Raw material availability and quality

Most of the maize in India is produced during the karif season. India's high dependence on monsoons is a cause of concern for all agricultural produce, and it is no different for maize. Buyers are unable to procure consistent quality of maize especially in terms of grain size and moisture content. Procurement is even more difficult in the rabi season, when production is low. Owing to poor development of storage and drying infrastructure in India, availability of maize all year round becomes problematic.

Maize is a low profit crop for the farmers, also they fell in the past two years, this leads to farmers sowing other more profitable crops. This leads to fall in production of maize. However, the government has been increasing the MSP prices over the years and with genetically produced high yield seeds, maize production should rise further in the future.

Issues in procurement and quality of raw material impact capacity utilisation of producers as well as margins of processers. This causes a delay in decision-making by millers regarding addition and upgradation of machinery.

Maize prices

Erratic maize production impacts the prices of maize. Lack of storage options and facilities make processors vulnerable to volatile prices. Since there is a lag between increase in prices of raw material and increase in prices of the finished goods, the margin and working capital cycle of the players are affected.

The maize processing industry is highly fragmented with a large number of small players, and the volatility in prices and margins is a reason for this. It limits the processors' ability to expand their capacity or upgrade their existing equipment.

Low barrier to entry

Technology used to manufacture dry milling equipment is simply and easy to imitate, because of this the barrier to enter the equipment manufacturing market is low. This explains the presence of large number of local equipment suppliers who supply most of the maize milling equipment. Prices of these equipment are very low when compared with high-end machinery manufactured by Buhler, Milltec and Satake.

SEED PROCESSING

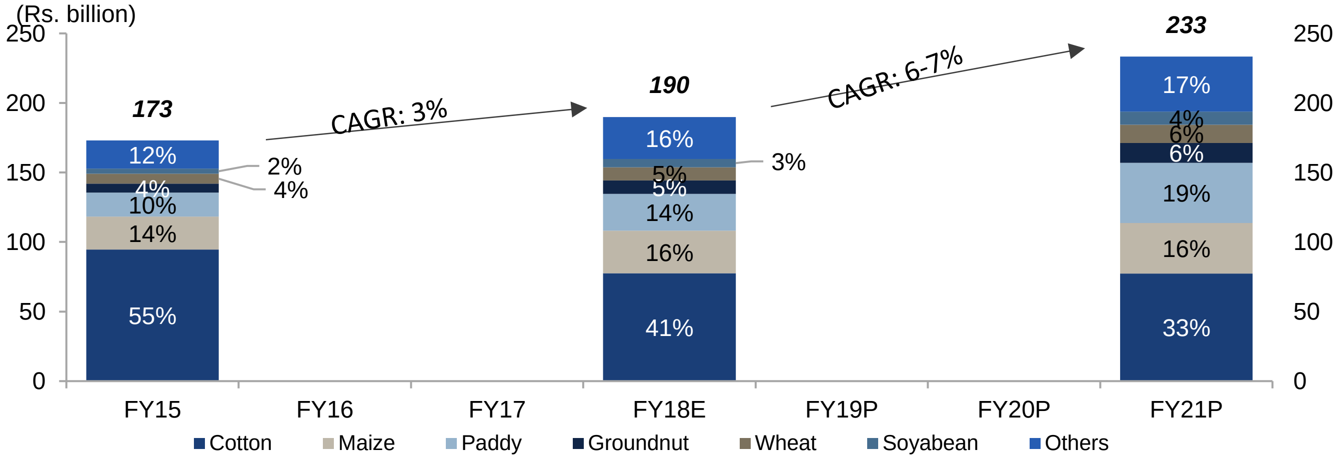
Private sector dominates seed processing industry

Indian seed industry has witnessed a significant change since the past century, with increasing numbers of farmers purchasing seeds from the market with better quality than relying on seeds from previous season's harvest. Private sector has made a significant contribution in achieving this change through investment in development of seed technology, especially in genetically modified seeds.

India's seed industry comprises 15 state seed and two national seed corporations involved in processing of seeds, while our interactions suggest that the private sector is highly fragment with over 500 units across the country. In volume terms, private players' share is estimated to be over 75% of the total of seeds distributed in the market. Public sector units' presence has been more in "low-value seeds such as wheat, pulses etc., while private sector units have higher share in "high-value hybrid and genetically modified (GM)" seeds like cotton, cereals and vegetables.

Seed industry pegged at Rs 190 billion in fiscal 2018

Figure 33: Processed seed industry to grow 6-7% by fiscal 2021



Note: Crops considered for analysis are wheat, paddy, maize, jowar, bajra, Bengal gram, urad, moong, tur, groundnut, rapeseed and mustard, soybean, sunflower, and cotton.

Source: Ministry of Agriculture, CRISIL Research

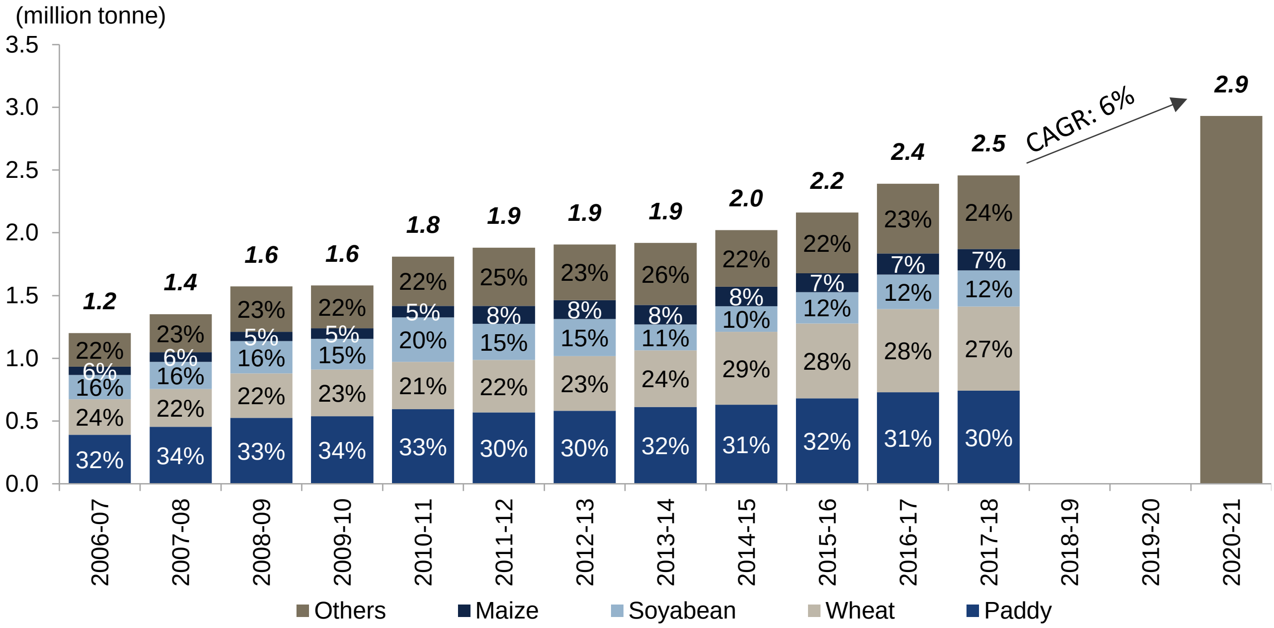
CRISIL Research estimates the seed industry to grow at a healthy 6-7% CAGR to Rs 226-233 billion by fiscal 2021. Growth will be largely driven by improvement in seed replacement rate (SRR) and increase in seed realisation. Going forward demand growth for seeds will largely come from crops such as Wheat, Paddy, Groundnut and Soybean as seed replacement rates are expected to increase, in addition to any increase in acreage. For cotton and maize, where seed replacement rates have crossed 95%, growth will largely be dependent on any increase in acreage. There has been increasing demand for commercially available seeds by the farmers owing to higher yield achieved by them as compared to farm retained seeds. Also, increase in population has resulted in land holding per farmer decreasing, due to which there has been an increase in adoption of high yielding seeds by the farmers in order to achieve higher production per hectare of land.

Between fiscal 2013 and 2016 the seed industry grew at healthy compounded annual rate 11-12%. However, during fiscal

2016 to 2017, the industry had witnessed a slow growth owing to following reasons:

- Fall in acreage of key crops, namely cotton, wheat and paddy due to adverse weather conditions
- Downward revision in prices of BT cotton seeds which were lowered by 20% on year in crop year 2016-17.

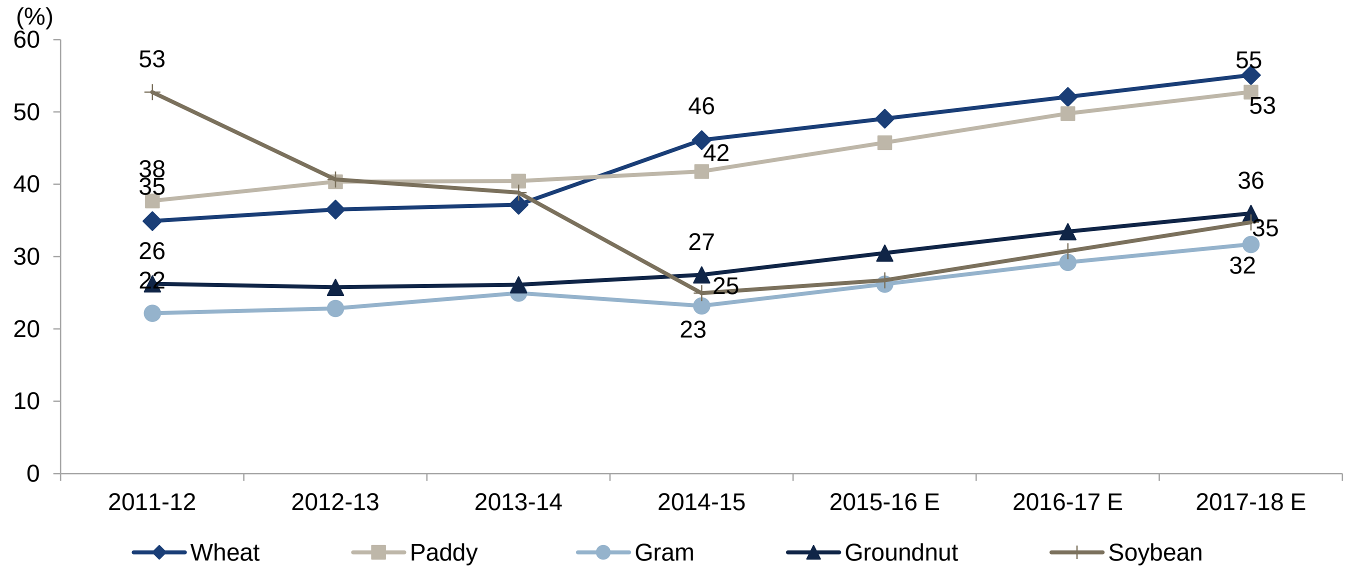
Figure 34: Increase in seed replacement rate to drive commercial seed volume growth



Note: Years plotted on chart are crop years (July to June). Others include jowar, bajra, Bengal gram, urad, moong, tur, groundnut, rapeseed and mustard, sunflower, and cotton.

Source: Ministry of Agriculture, CRISIL Research

Figure 35: SRR of key crops: Rising demand for commercial seeds increase seed replacement rate



Note: E- Estimated

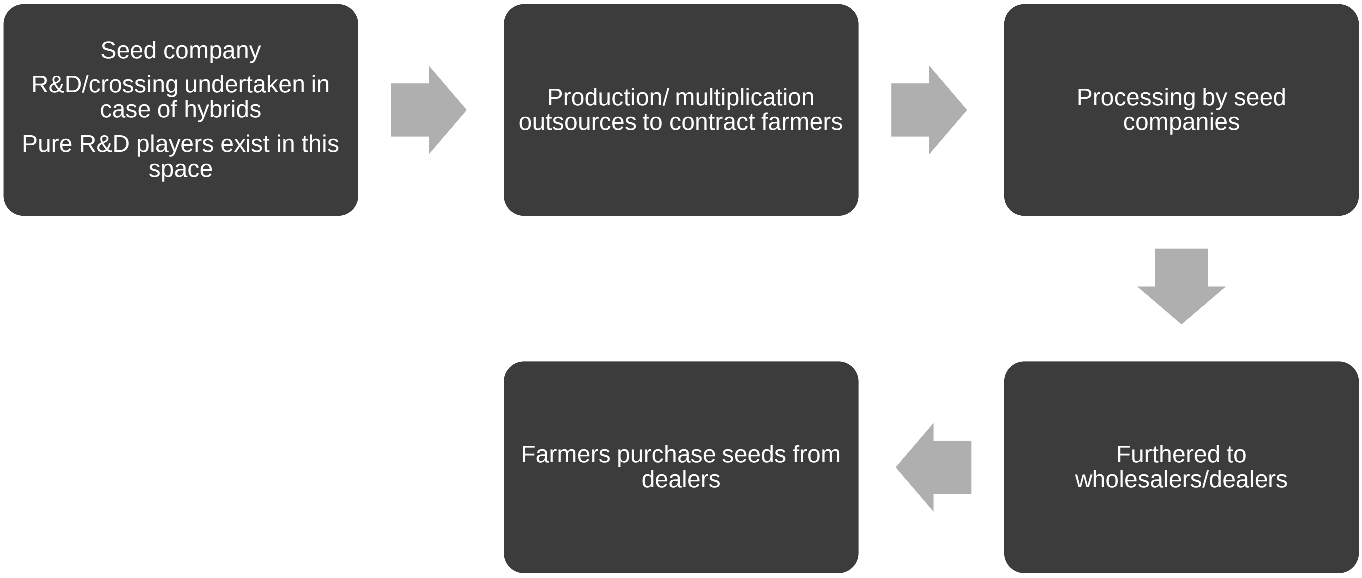
Source: Ministry of Agriculture, CRISIL Research

As quality of farm-saved seed deteriorates in successive generations, ideally, hybrid seeds should be renewed every year and non-hybrid seeds every 3-4 years. However, trend in seed renewal has been much lower than the ideal practice. Therefore, there is significant scope for improvement in SRR, not only in terms of higher sown area under commercially sold seeds, but also from faster renewal of seeds.

Value chain and sizing for equipment industry

Value Chain

Figure 36: Value chain for variety and hybrid seeds are similar



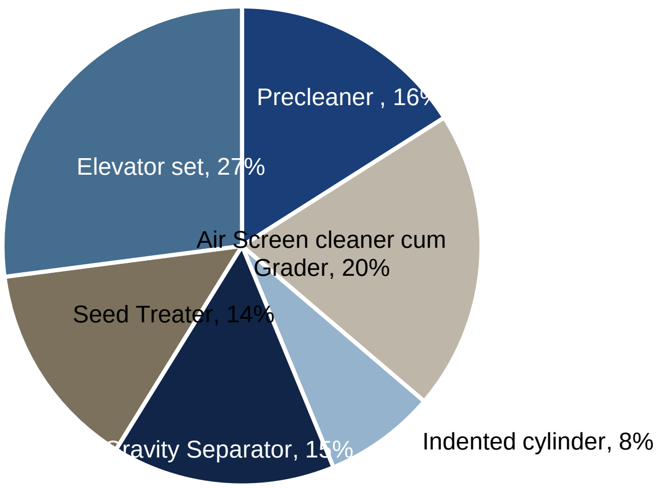
Source: CRISIL Research

Installed base of seed processing equipment valued at Rs 1 billion in fiscal 2018

Our industry interactions suggest that the industry is highly fragmented with over 500 seed processing units in the country. Average capacity of these processing units is around 4 tonne per hour (TPH). Approximately 90% of these mills use mid-end machineries, manufactured by Agrosaw, Agrisep, etc.; the rest use high-end machineries manufactured by Cimbria, Petkus, etc.

The installed base of seed processing equipment stands at Rs 1 billion[3] in fiscal 2018. Largest value is derived from elevator sets, followed by air screen cleaner-cum-grader machines and gravity separators.

Figure 37: Elevator sets in a seed processing plant have highest market share in installed base



Note: Installed base of seed processing equipment value is at current prices (FY2018); for further details, kindly refer to methodology.
Source: CRISIL Research

Table 7: Price range for seed-processing equipment

3 *Industry size / installed base has been estimated basis CRISIL's methodology and assumptions forming part of the industry report titled "CRISIL Research on Customised study for DRHP of Milltec May 2018"*

Equipment	Mid-end (000' Rs)	High-end (000' Rs)
Pre-cleaner	320-360	9000-1100
Air screen cleaner-cum-grader	410-450	1290.00
Indented cylinder	140-180	430-530
Gravity separator	300-340	860-1050
Seed treater	280-320	810-990
Elevator set	95-135	250-350

Source: CRISIL Research

Growth drivers and key risks

Growth drivers

New capacity installation and capacity upgradation to drive equipment sales growth

Given that demand for commercially sold seed is increasing at healthy pace, the seed processing industry is expected to attract investment in development of new seed processing plants

Smaller-capacity seed processors have also been investing in capacity expansion of their plants to benefit from economies of scale, given intense competition among processors, owing to fragmented nature of the industry.

Favorable government policies to boost investment in seed processing plants

A large number of schemes have been implemented by Government of India to develop and strengthen existing infrastructure for production and distribution of certified/quality seeds to farmers. Theses scheme include offering subsidy for development of seed processing plants, transportation of seeds, working capital assistance, etc. *(Major government schemes have been explained in earlier section)*

Key risks

Monsoon: Demand for seed sown by farmers is highly dependent on monsoon conditions. Sowing of crops might decline in a situation of adverse weather conditions, affecting demand for commercially sold seeds.

Farm income: Low income fetched by farmers in previous season from a particular crop could influence them to switch to crops that offer better remunerations. This could create distress in selling seed inventory of crops which fetched low prices in previous season.

Seed supply: Seed production is planned a year before seeds are sold in market to farmers. Since demand from farmers for commercially available seeds could be influenced by above-mentioned factors, it could result in mismatch between demand and supply of seeds leading to fall in seed realisations.

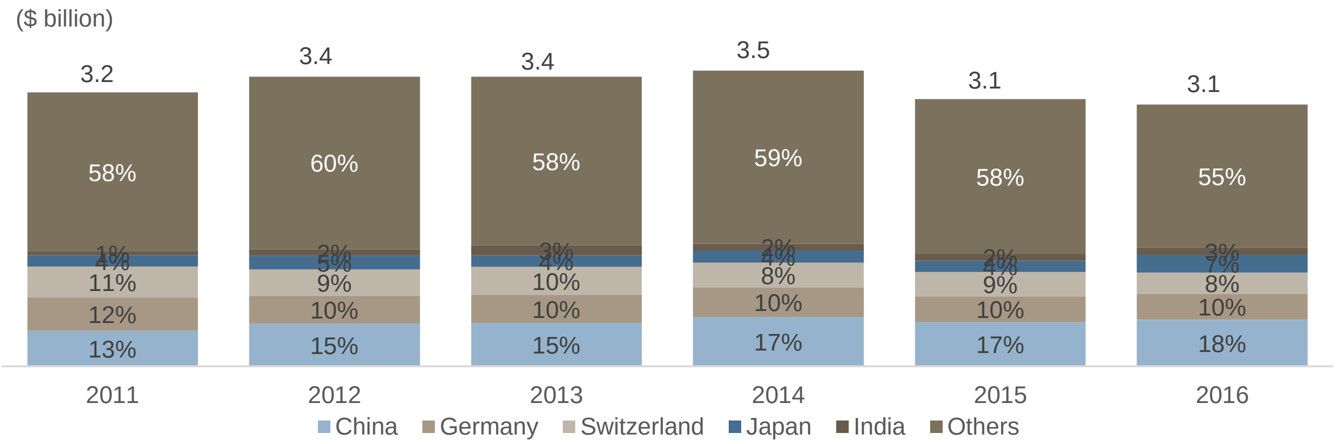
EXPORT IMPORT SCENARIO OF RICE PROCESSING MACHINERY

Trends in exports of rice milling machinery

Key exporting countries cut back exports in 2015 and 2016

In 2015 and 2016, world rice processing machinery exports fell 10% and 2% on year, respectively, on account of lower exports from Switzerland, Italy, Germany, Netherlands and the United States of America (US) in the milling machinery and parts of milling machinery categories, after rising marginally in calendar year 2014. The decline was due to lower demand from countries like Nigeria, Indonesia and Brazil.

Figure 38: World exports of rice machinery declined marginally in 2015 and 2016



Notes: 1. The HS codes considered: 843780, 843710, 843790, 840212, 842330, 843780
2. All the periods pertain to calendar year

Source: UN COMTRADE, Industry, CRISIL Research

Table 8: India is a key exporter of water tube boilers, cleaners, sorters, and graders

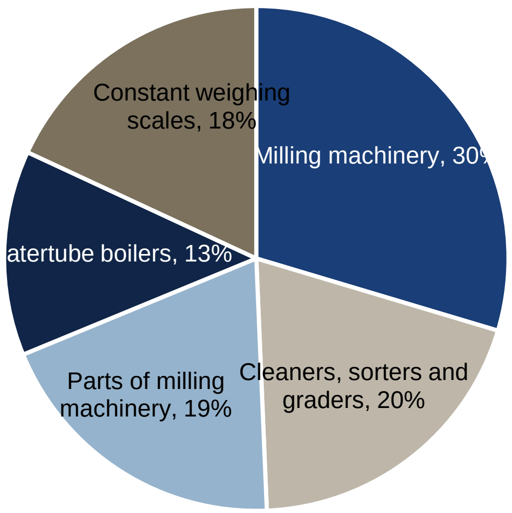
Description	Top exporters	India's rank in the export market
Machinery used for milling	Turkey Italy China	**8**
Machines for cleaning, sorting or grading	China UK Germany USA	**9**
Parts of machinery used for milling	Switzerland Singapore China	**13**
Water tube boilers	China Japan Malaysia	**4**
Constant weight scales	Japan Germany China	**19**

Source: UN COMTRADE, Industry, CRISIL Research

Milling machinery exports comprised nearly a third of overall exports in value terms

Milling equipment, which includes de-husker, whitener, and polisher, form the core machinery in a rice mill. Hence, they remained the most traded equipment in the world in calendar year 2016 continuing the trend from the past three years (calendar years 2013-2015)

Figure 39: Key types of rice processing machinery exports in the world in 2016



Source: UN COMTRADE, Industry, CRISIL Research

India's export basket: Bangladesh and Nigeria are key clients

Table 9: India's rice mill machinery exports exceeded $99 million in 2016

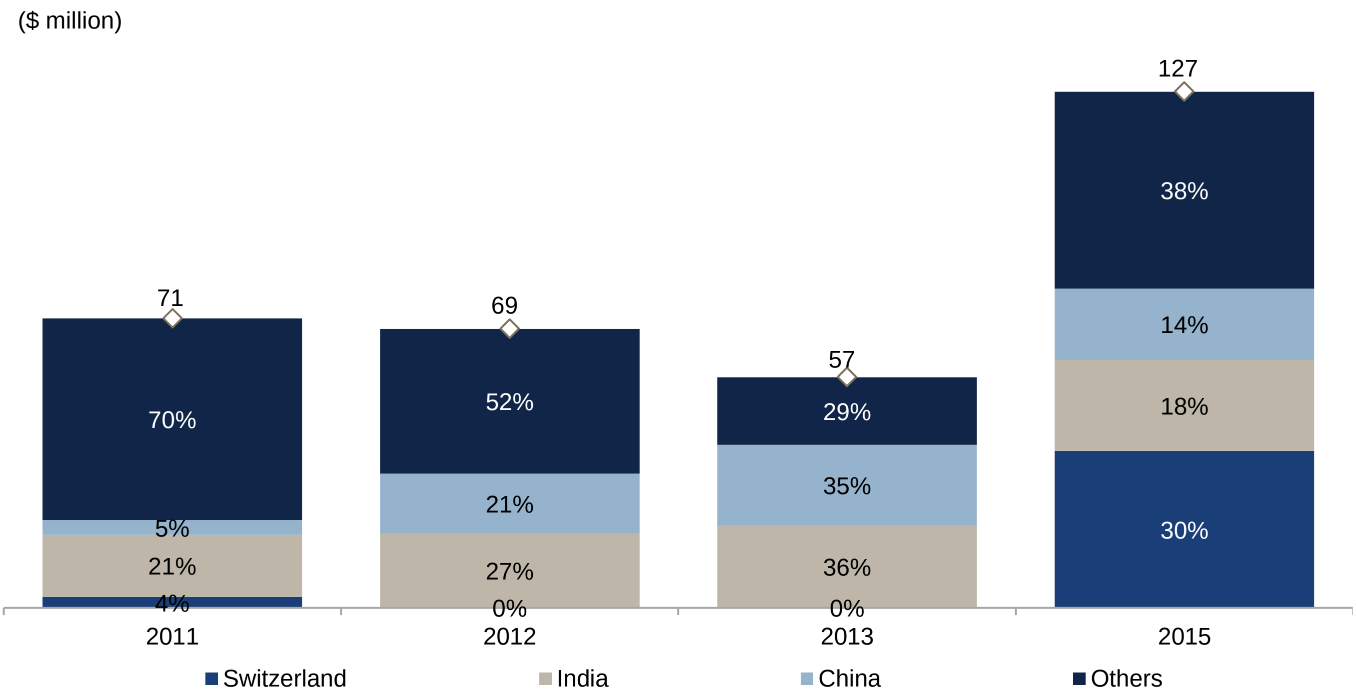
In $ million	2011	2012	2013	2014	2015	2016	Share in total
Bangladesh	5.99	14.26	20.79	23.28	18.15	18.99	19%
Nigeria	8.65	7.43	9.61	8.44	10.29	12.28	12%
Sri Lanka	2.73	5.72	9.62	4.12	9.55	5.74	6%
Kenya	3.57	5.34	4.29	4.23	2.91	4.98	5%
Nepal	2.06	3.13	3.60	5.43	6.14	4.25	4%
Others	32.55	56.71	85.42	55.03	49.86	52.75	53%
Total	**55.6**	**92.6**	**133.3**	**100.5**	**96.9**	**99.0**	100%

Note: Export share of each country is an average of the past five years (calendar years 2011 to 2016)
Source: UN COMTRADE, Industry, CRISIL Research

Bangladesh: Off take from Switzerland saw a surge in 2015

Bangladesh's import of rice milling machinery more than doubled in calendar year 2015, as its rice milling industry is going through a makeover, with traditional rice mills modernising at a rapid pace.

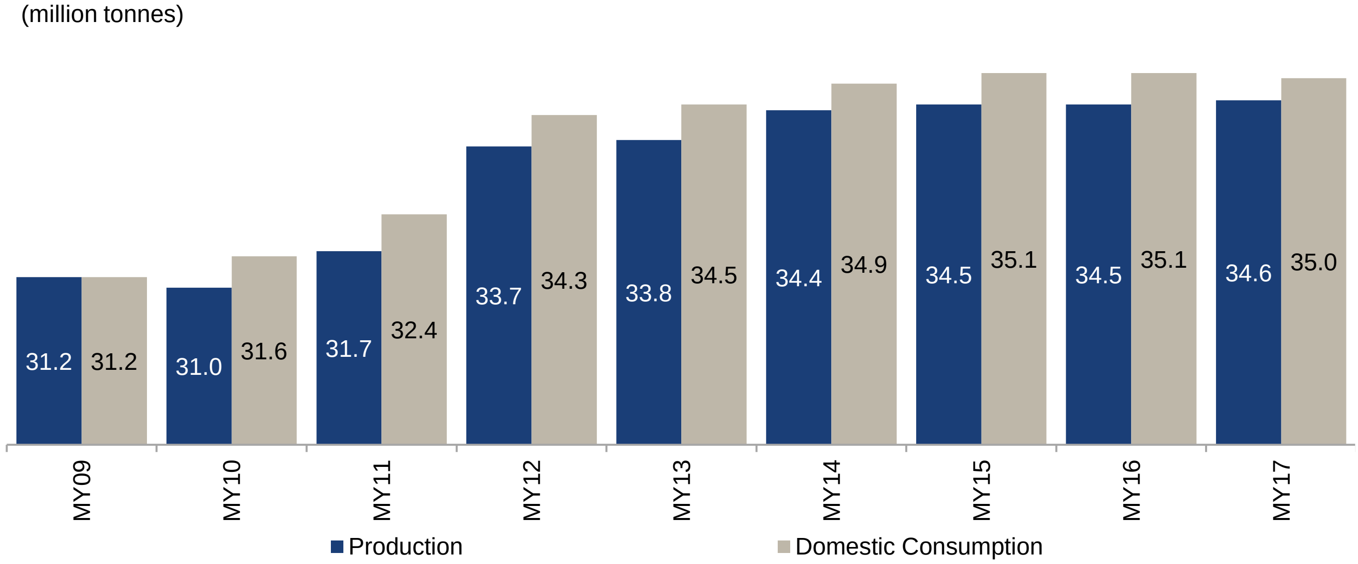
Figure 40: Imports of Bangladesh surged in 2015: traditional machine 'Dheki' being replaced by modern machinery



Note: Data for 2014 & 2016 is unavailable. Reported as per latest available data
Source: UN COMTRADE, Industry, CRISIL Research

Rising per capita income, is driving a shift towards higher quality rice. To keep up with changing demands, rice millers in Bangladesh are switching to modern machinery. Owing to lack of domestic manufacturers, rice millers import them from India and China preferably given their proximity. However, during 2015, Bangladesh increased off take from Switzerland. Although the value of machinery imported from India and China increased in 2015, the countries lost some market share to Switzerland.

Figure 41: Increasing rice consumption in Bangladesh



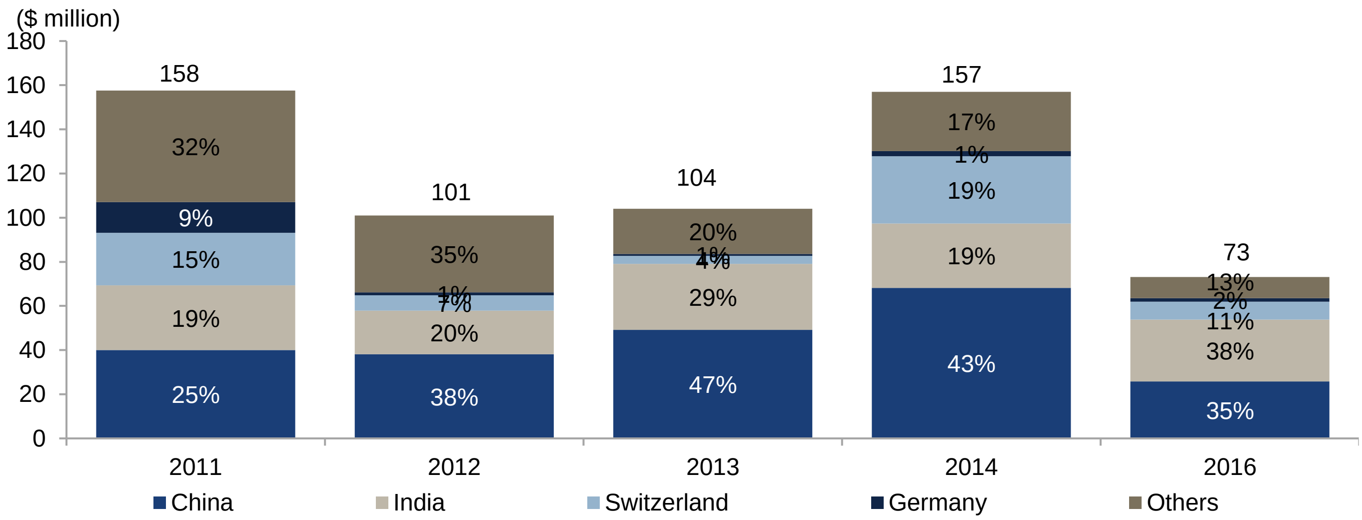
Note: MY: Marketing Year – May to April

Source: United States Department of Agriculture, Industry, CRISIL Research

Nigeria: Expected ban on import of rice positive for rice processing industry

To protect domestic paddy cultivators and encourage domestic production, the Nigerian government has imposed duty on import of milled, semi milled, and husked rice, which currently stands at 60%. In January 2018, the president of Nigeria proposed that rice imports would be banned in 2018. Nigeria's stance of curtailing rice imports and encouraging domestic production will continue to drive rice milling equipment demand.

Figure 42: India's market share rising in Nigeria



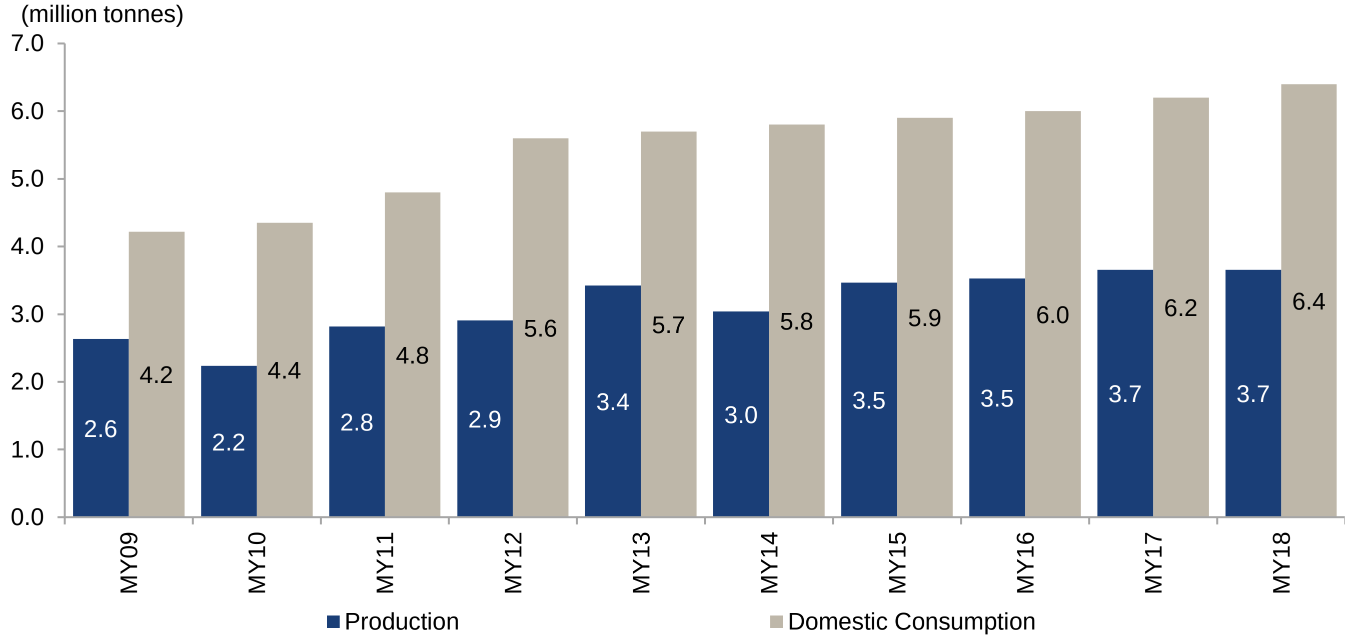
Note: The figures for 2015 are unavailable

Source: UN COMTRADE, Industry, CRISIL Research

The Nigerian government also encourages improve agriculture and augment food supplies. The government is aiming to minimize imports and improve the economic situation. Since Nigeria has a conducive weather for cultivation of paddy and rice, which is staple food in the country, the government is aiming to make it self-sufficient in rice.

The opportunity for India to export rice milling machinery to Nigeria has just become more lucrative, as the Nigerian mills are likely to either add capacity or modernize their mills. In the event of imports of rice being completely banned, the rice millers in Nigeria are likely to import milling machinery owing to lack of good quality local manufacturers.

Figure 43: Steadily rising consumption in Nigeria

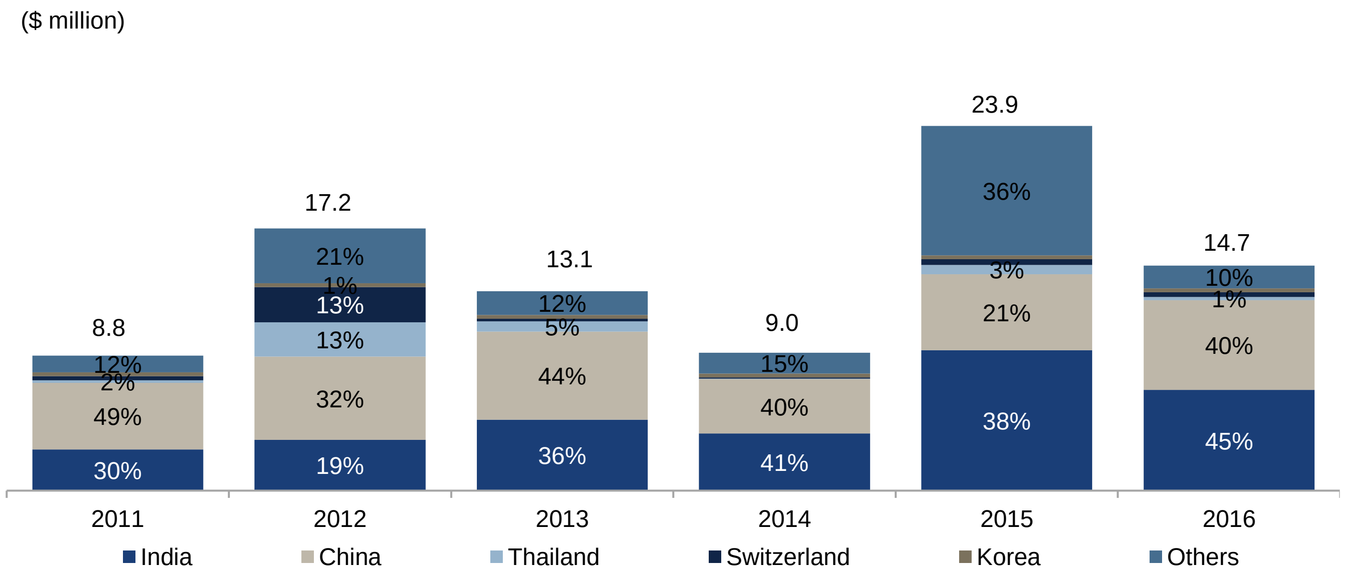


Note: All periods pertain to Marketing Year (May to April)

Source: United States Department of Agriculture, Industry, CRISIL Research

India's share increasing in Sri Lanka's machinery imports

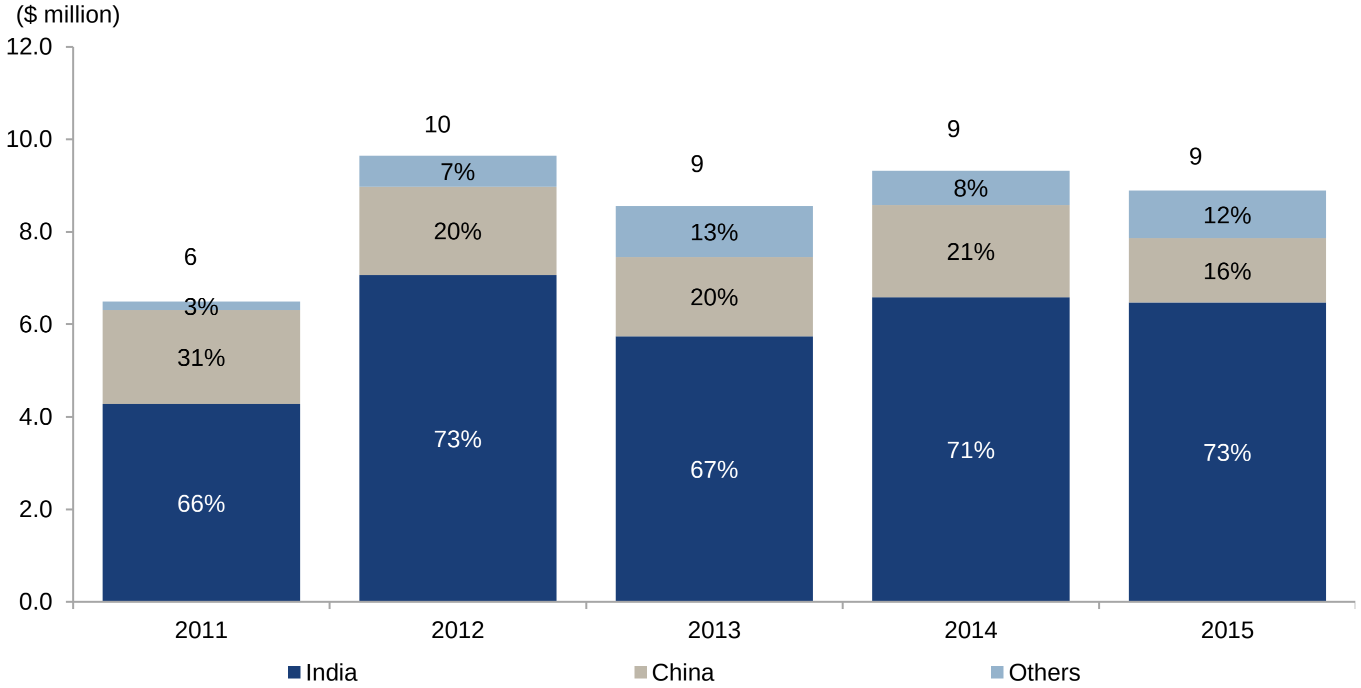
Figure 44: India and China close competitors in Sri Lanka



Source: UNCOMTRADE, Industry, CRISIL Research

In 2015, Sri Lanka's rice equipment imports more than doubled and ~38% of imports were from India, owing to its proximity and good trade relations. With rice being a staple food in Sri Lanka, domestic demand is expected to grow steadily over the next few years. India has an advantage over China in terms of transportation cost, owing to its proximity to Sri Lanka.

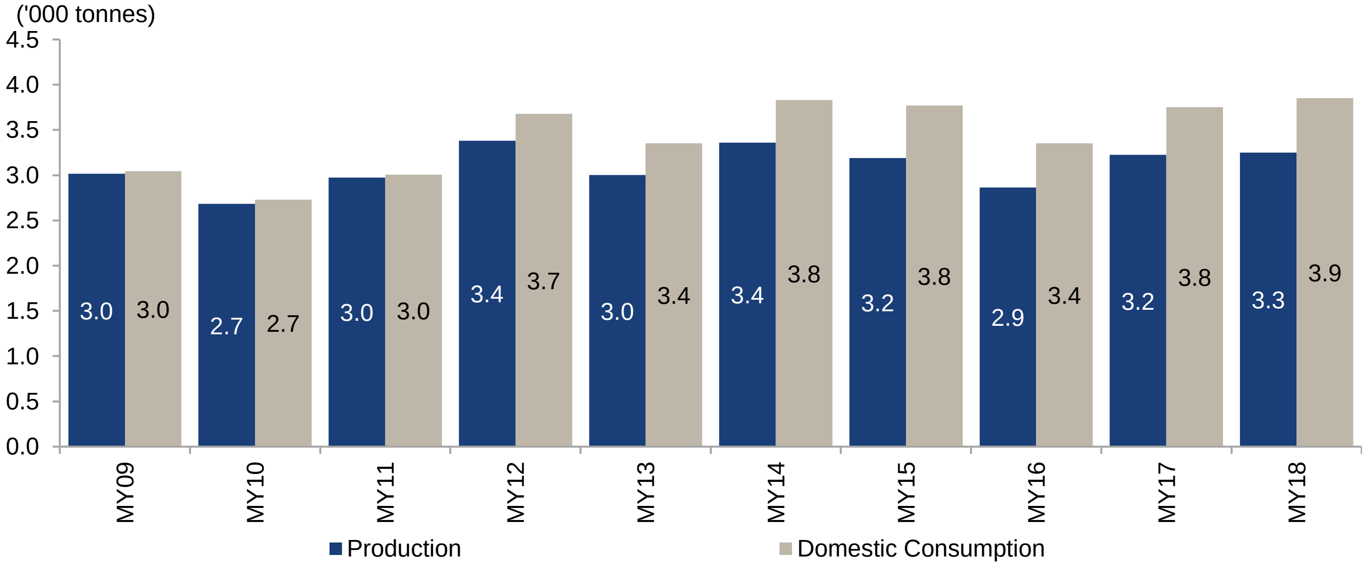
Figure 45: India, the leading trade partner to Nepal



Source: UNCOMTRADE, Industry, CRISIL Research

Rice production in Nepal declined by 1% CAGR between marketing years 2012 and 2017 (May - April), owing to a decline in area under cultivation of paddy. Unfavourable climatic conditions over the years and a natural calamity in 2016 led to a stagnation in Nepal's agriculture thereafter. However, rice consumption has been rising at a steady pace of about 0.5% CAGR between marketing years 2012 and 2017, compelling the country to import rice. Hence the rice milling industry in Nepal is going through a stagnation as production is declining.

Figure 46: Rising rice consumption in Nepal owing to better awareness and rising affluence



Note: All periods pertain to marketing year (May to April)

Source: United States Department of Agriculture, Industry, CRISIL Research

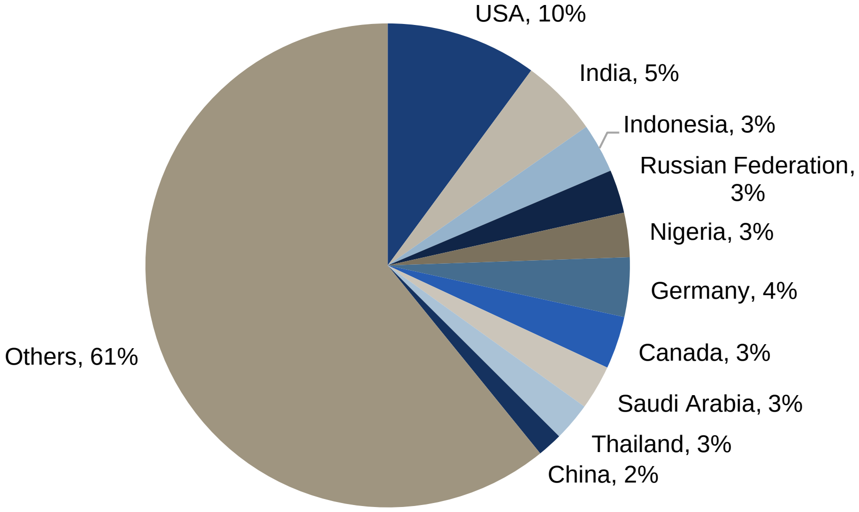
There is limited opportunity for India to increase its equipment exports to Nepal as it is already a market leader with over 70% market share as of calendar year 2016. Also, with limited increase in production and easier imports of rice than paddy, Nepal's rice milling industry is not expected to grow at a significant pace over the next few years..

Trends in imports of rice milling machinery

USA and India are key importers of rice processing equipment in the world followed by Indonesia and China.

Rice production and consumption in the US have grown at a healthy pace of 4% CAGR each between calendar years 2011 to 2016 while exports have grown at 3% CAGR. This has led the rice milling industry to import milling equipment to cater to the growing demands of the industry. The modernization of rice mills is at a matured stage in the US and the growth in import of equipment is being led by increase in production and consumption volumes.

Figure 47: USA the largest importer of rice processing machinery in 2016



Note: Global imports in 2016 was worth USD 2.5 bn

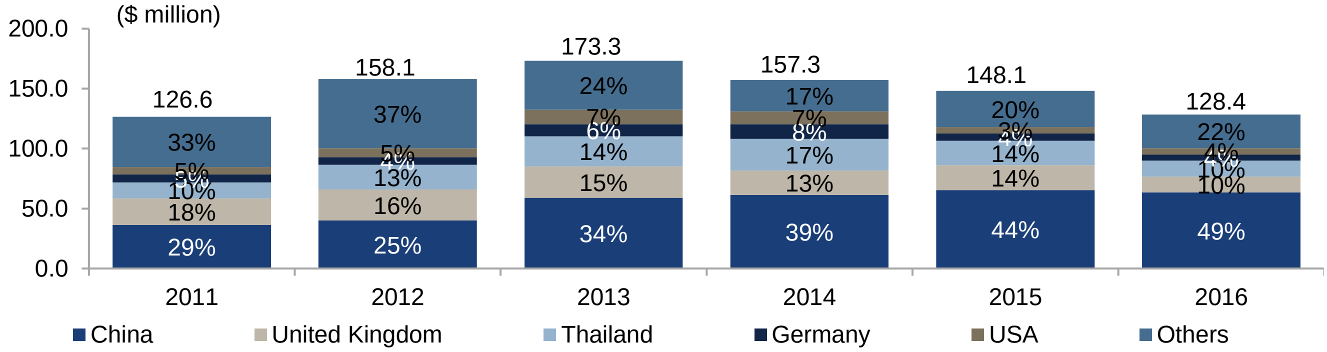
Source: UNCOMTRADE, Industry, CRISIL Research

Decline in offtake of machinery from key countries like India, Indonesia, and Russia led to decline in overall imports of rice milling equipment from 2013 to 2016.

Share of India's domestic manufacturers in rice milling equipment on the rise

Although India is currently going through a modernization stage in the rice milling industry, import of rice milling equipment has been on a decline since calendar year 2013. Growth of domestic equipment manufacturers in India has led to a decline in its imports. Equipment manufacturers are being preferred over international machinery owing to their affordability, after sales services, and easily available spare parts.

Figure 48: India's declining import of machinery led by increase in domestic manufacturers' off take



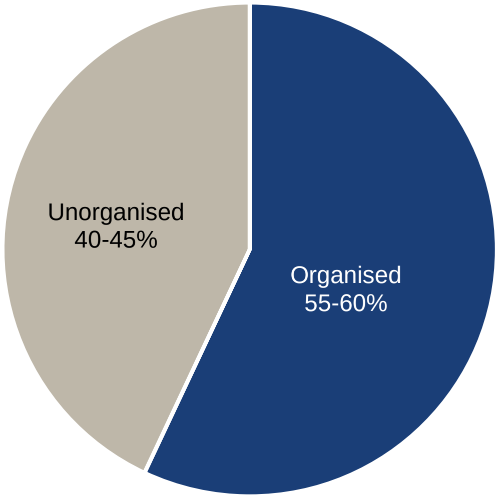
Source: UNCOMTRADE, Industry, CRISIL Research

COMPETITIVE LANDSCAPE OF THE INDIAN RICE MILLING EQUIPMENT INDUSTRY

Organised equipment players gaining market share gradually

The rice milling equipment industry is moderately fragmented with a significant number of local manufacturers having a presence in each region. However, competition could vary depending on the equipment. CRISIL Research estimates the organised players' market share at 55-60% in fiscal 2018 for all equipment combined in terms of value, as against ~30% estimated in fiscal 2008. The unorganized players account for the remaining share. The organised players were able to gain market share over the past decade owing to industry growth drivers.

Figure 49: Market segmentation for fiscal 2018



Note: Organised players include international and large domestic branded players

Source: Industry, CRISIL Research

Table 10: While organised players have gained share, there are still segments where the presence of unorganised players is high

Name of the equipment	Share of unorganized/Chinese/local
Pre cleaner	High
Par boiler	Moderate
Boiler	Moderate
Dryer	High
De stoner	Moderate
Sheller	Moderate
Whitener	Moderate
Polisher	Moderate
Elevator	High
Grader	High
Color sorter	High

Note: Full-range players-Players who manufacture most of the equipment required for milling

Specialised players- Players who manufacture select

High- greater than 40%, Moderate-20-40%

Key differentiators for Milltec

- **Quality at affordable prices:** Milltec has established a reputation for offering high-quality equipment at affordable prices. Although Milltec's lower-priced machinery is at a premium to local machines, it offers better quality. Similarly, the higher-priced machinery is priced lower vis-à-vis international players with not much difference in quality[4].

---

[4] *This is basis a study conducted by CRISIL as outlined at the start of the section titled Industry Overview*

- **Focus on R&D** enables Milltec to regularly upgrade existing machines as well as introduce new products. For instance, a new range of color sorters was introduced in FY16 and new parboiling machinery was introduced during FY18.

- **Presence across capacities:** Milltec has devised the capability to offer a wide gamut of products to cater to millers depending on their throughput, ranging from 2 MTPH to 20 MTPH. Milltec is one of the very few players offering such a wide range since small players largely offer lower capacity machines while global peers cater to the higher capacity millers.

- **Presence across customer segments:** Milltec has Regular, Elite and Custom Milling equipment series, each at a different price point and designed based on the combination of price & quality of output required by the end customer. Therefore, it caters to customers across the government, open market and export segments.

- **Complete range of products:** Milltec's equipment is used in the processing of various grains including rice, pulses, seeds, maize and wheat. In certain segments, Milltec offers end-to-end turnkey solutions.

- **Superior service promise:** Milltec has a pan-India after-sales network to address post-sales requirements of customers, as well as respond to customer grievances. The company has a commitment to resolve issues raised by customers within 24 hours, thereby minimizing downtime for millers. This reflected in the interactions with millers who responded positively towards Milltec's after sales service.

Competitive assessment of brands across regions

Strong foothold in the medium-sized rice mills and sound presence in other mills puts Milltec ahead of competition

Our assessment based on our interactions with over 100 rice millers and dealers across mill sizes and regions indicates Milltec is a market leader in the high volume category (3-5 tonnes per hour)[5]. It is also not far behind in other categories. As a result, considering the positioning of brands in each segment weighted by the installed base value in each segment, Milltec appears to be the most popularly used brand in the rice milling industry.

The company has an estimated market share of 10% in the total rice processing equipment industry and is the most preferred brand in the milling segment. Milltec's products are preferred among millers in India due to their quality and efficiency, and its after-sales service capabilities. The company's unique value-for-money proposition also provides it a competitive edge.

Table 11: Milltec has the highest penetration among rice mills given its high preference in the mid-size category

	Capacity (tonnes per hour)				
	0 to 2	3 to 5	6 to 8	> 8	Leading brand (Aggregate)
Volume share in installed base	**20-30%**	**50-60%**	**8-12%**	**8-12%**	
Most preferred brands	**Regional Milltec**	**Milltec Regional Buhler**	**Buhler Satake Milltec**	**Satake Buhler Milltec**	**Milltec**

Note: Aggregate is calculated considering the positioning of brands in each segment weighted by installed base value for rice milling equipment in India in each segment.

SILICA EXTRACTION AND CO-GENERATION

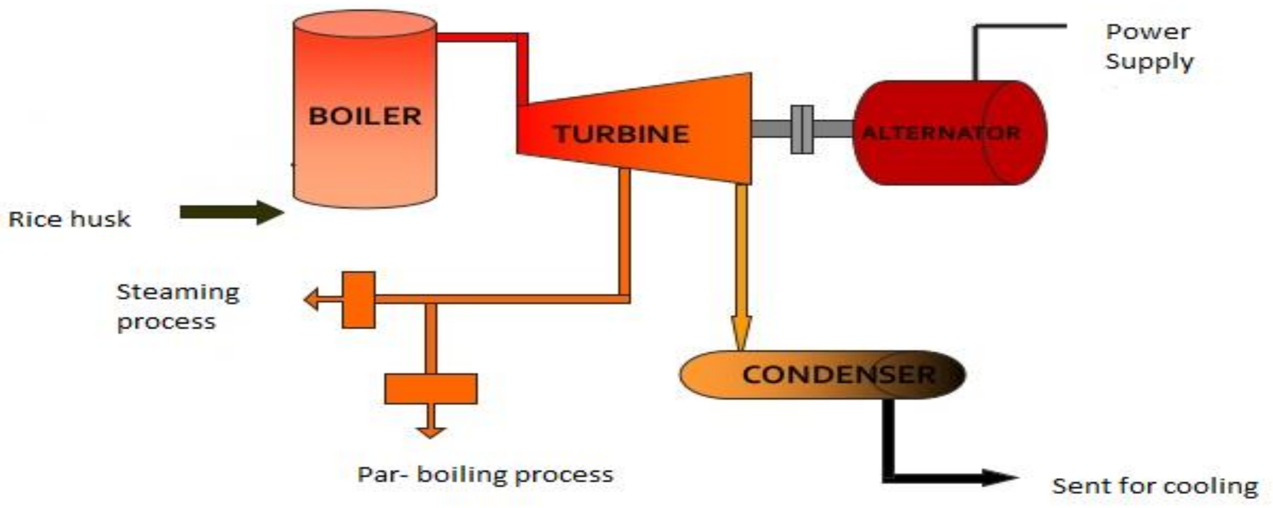
Co-generation power plant, a way to save electricity cost for a few mills

Rice husk, obtained after the de-husking process is generally burnt and used for agricultural purposes like mixing with soil or direct disposal. However, by opting for a silica extraction process, the rice husk can be better utilized to generate an additional income for the miller.

A co-generation plant generates electricity that can be used captively by the rice mill and save electricity expense up to 20%. Alternatively, the power can be sold to a state grid as per the power purchase agreements in different states. Most of the rice mills with a co-generation plant use the electricity captively.

[5] *This is basis a study conducted by CRISIL as outlined at the start of the section titled Industry Overview*

Figure 50: Typical process of generating power from rice husk



Source: Industry, CRISIL Research

Steps involved in a co-generation plant

Step 1: Rice husk is used as fuel to boil water in the boiler

Step 2: The steam generated from boiling is directed towards turbine

Step 3: The power generated from turbines is transferred to the mill for captive consumption

Alternatively, the steam can also be used to boil/steam the rice for parboiling or steaming

Step 4: The condensed water is sent for cooling for re-use

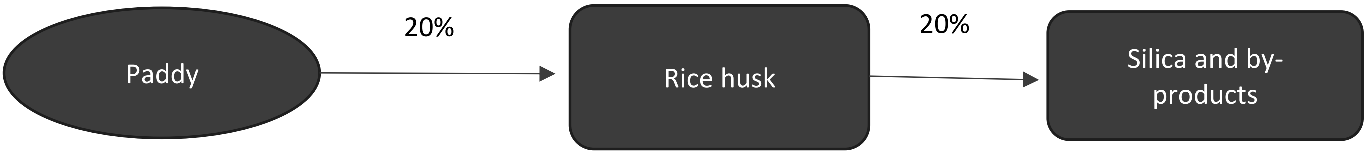
The average lifecycle of a co-generation plant is estimated to be over 20 years.

Silica extraction

Silica is widely used in the domestic and international markets across various industries

Rice husk, after separation from its kernel, is used as fuel along with coal/wood to generate heat in co-generation. The ash (rice husk ash, or RHA) produced from this process is rich in silica content. The silica present in rice husk, being of biogenic origin, is non-toxic and is generally used by farmers to mix with soil to increase its fertility. Also, silica obtained from rice husk is chemically active and hence can be useful for various industries. Along with silica, the key by-products produced in this process are carbon and sodium carbonate, which are used in various industries.

Figure 51: Proportion of paddy to silica



Typically, 40 kg of silica (along with by-products) can be produced from 1 tonne of paddy.

Table 12: Key machines used in the silica extraction process

Capacity - Three tonnes of RHA per day	
Machine	**Number of machines required**
Reactor vessel	4
Filters	3

Dryers	1
Evaporators	1
Condensers	4

The cost of setting up a silica extraction plant with a capacity of 3-4 tonne per day would be about Rs 3 crore, and the set-up is estimated to have an average life of about 20 years.

It is suitable for a rice mill that has a minimum capacity of 8 tonne per hour and is producing par-boiled/steamed rice, as the boiler used in the par-boiling mill is essential for the silica extraction process.

Table 13: Uses of silica and its by-products

Silica	Carbon	Sodium carbonate
Tyres	Air treatment	Manufacture of glass
Rubber rice rollers	Biogas purification	Household cleansing agent
Footwear	Drinking water treatment	Manufacture of paper
Railway pads	Effluent water treatment	Softening of water
Silicon carbide grinding wheels	Medical usage	Refining of petroleum
Paints	Personal protection	
Pharmaceuticals		
Cosmetics		
Detergents		
Pesticides		

Source: Industry, CRISIL Research

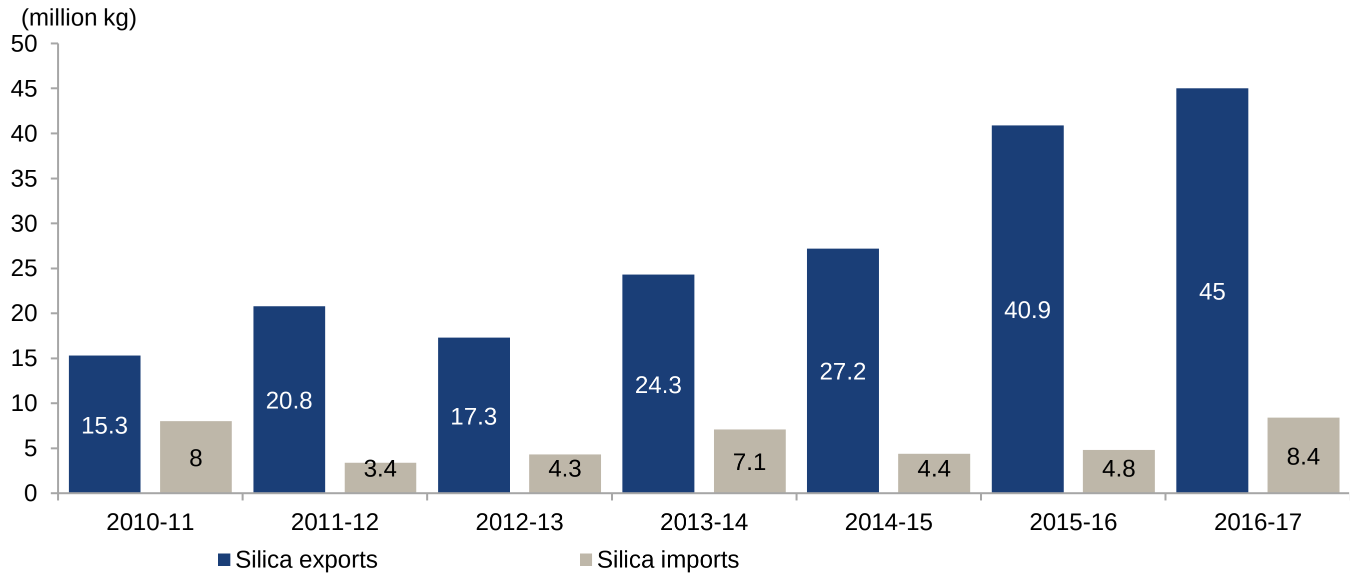
Silica is used in various industries but mostly used by the tyre industry to increase the grip of tyres. In fiscal 2017, the industry accounted for about 50% of silica precipitate consumed in India.

Silica precipitate produced from rice husk ash is useful for all of the above mentioned purposes. However, the usage will depend on the physical properties of silica obtained like consistency, strength and quality. The silica obtained from rice husk ash is expected to be similar to that obtained from other sources like sand, limestone and soda ash.

Additional income for a rice miller from silica extraction

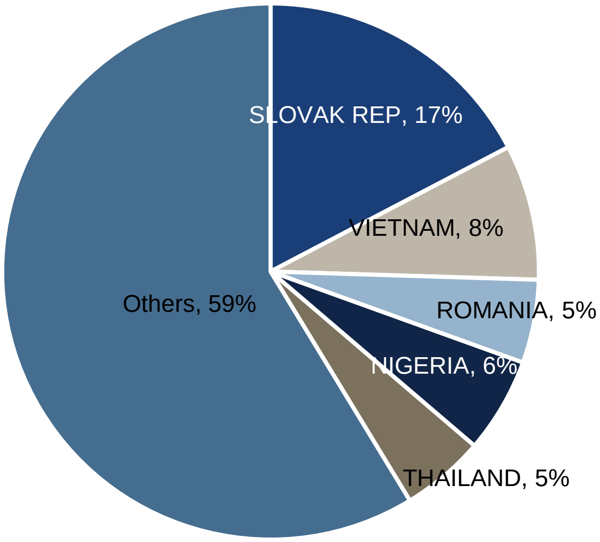
The capital investment for a 2 Tonnes per day (TPD) silica extraction plant is estimated to be about Rs. 2.5 to 3 crore. The payback period is estimated to be about 3 years with the yearly profit is estimated to be about 90-93 lakhs. This would allow the rice miller to generate additional income apart from rice production and insulate against the risks faced in the rice milling industry. Silica precipitate can also be exported at higher realizations

Figure 52: India is a net exporter of precipitate silica and silica gel



Source: Directorate General of Foreign Trade, Industry, CRISIL Research

Figure 53: India's silica exports basket: Top 5 countries account for 40% in terms of value



Source: Directorate General of Foreign Trade, Industry, CRISIL Research

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which may have been disclosed in the section titled "Risk Factors" on page 20. This section should be read in conjunction with such risk factors.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 110.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12-month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Information, included in this Draft Red Herring Prospectus on page 207.

OVERVIEW

We are a diversified agro-processing equipment manufacturer in India, with a sales and distribution network in India and overseas. Our portfolio includes equipment to facilitate the processing of rice, pulses, wheat, seeds, and maize. We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report).

Our array of modern milling equipment has, over the years, benefitted millers by reducing process loss, enhancing price realisation, and ensuring high qualities of hygiene (*Source*: CRISIL Report). Our products are preferred among millers in India due to their quality and efficiency, and our after-sales service capabilities. This apart, our unique value for money proposition gives us a competitive edge (*Source*: CRISIL Report).

We are an ISO 9001:2015 and ISO 14001:2015 certified company with four well-equipped manufacturing facilities in Bengaluru, Karnataka, and Chennai, Tamil Nadu. From a single equipment manufactured to facilitate the whitening and polishing of rice grains in 1998, we have expanded our equipment portfolio to over 200 different types of grain processing equipment, as on March 31, 2018. Our product portfolio includes equipment for parboiling and drying, pre-cleaning, de-stoning, de-husking, thickness grading, polishing, length grading, sorting, and packaging, which cater to customers who have mills with throughput capacities ranging from two MTPH to 20 MTPH. We also offer end-to-end turnkey solutions for rice processing activities, as well as solutions to facilitate ancillary grain processing activities such as yield management.

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative new products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven trademarks, 12 designs, 28 copyrights, and five patents.

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. This network is also backed by an after-sales service team of 111 employees who provide our customers with access to maintenance services and spare parts and respond to a majority of our customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers.

Our Company is managed by our Promoters, Rajendran Joghee and Ravindranath Ramaiah, each of whom has over 25 years of experience in the milling equipment manufacturing industry. Our Company is also supported by an experienced management team, including our Chief Executive Officer, Rajan Aggarwal, who has over 30 years of industry experience, and our Chief Financial Officer, Ganapathy Subramaniam, who has over 35 years of experience. As of March 31, 2018, we employed 821 employees, comprising 396 individuals employed by us on a full-time basis, and 425 workers engaged by us on a contractual basis.

We have invested in and have established a strong information-technology system both for enabling technological innovations in the area of manufacturing grain processing equipment, as well as integrating systems and processes through the SAP system, towards streamlining our operational and administrative functions. Our information-technology systems and technological infrastructure has been adopted to ensure that our manufacturing processes remain commensurate with global standards and practices.

We believe that our brand equity is strongly associated with our leadership in the manufacture of agro-processing equipment. In recognition of our capabilities, we have been recipients of various awards, which we believe have been instrumental in creating our strong brand value. These awards, *inter alia*, include the "*Commendation Award for Best Business Exhibitor*" conferred by the Confederation of Indian Industry in the year 2000, the "*Award of Appreciation*" conferred by Triune Exhibitors Private Limited in the year 2009, and the "*Award of Honour*" conferred by the All India Rice Exporters Association in the year 2017. For details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 176.

The key highlights of our financial metrics on a consolidated basis from Fiscal 2016 to Fiscal 2018 are set out in the table below:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Total income (in ₹ million)	2,693.14	2,231.44	1,862.35
EBITDA margin(1) (in %)	18.57	15.87	17.21
Profit after tax (in ₹ million)	290.85	184.83	174.02
RoCE(2) (in %)	81.00	60.35	51.47
RoE(3) (in %)	31.25	26.90	34.42
Net cash flow from operating activities (in ₹ million)	235.05	352.32	215.22

Note:

1) *EBITDA Margin = (Restated profit before tax + Finance cost + Depreciation and amortization expense) / Total income*
2) *RoCE (Return on Capital Employed) = EBIT (Earnings Before Interest and Tax) / {Average of Current Year + Previous Year of (Total Assets – Current Liabilities – Cash & Cash Equivalents – Investments in Mutual Funds & Bonds)}*
3) *RoE (Return on Equity) = PAT (Profit After Tax) / Average of Total Equity of the Current Year and the Previous Year*

OUR COMPETITIVE STRENGTHS

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

Market leader in manufacture of rice processing equipment in India

We are a diversified agro-processing equipment manufacturer in India, with a sales and distribution network in India and overseas. Our portfolio includes equipment to facilitate processing of rice, pulses, wheat, seeds, and maize. We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report).

Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. We have established long-term relationships with several customers and leverage our relationship to cross-sell equipment to our existing customers and develop relationships with new customers. In Fiscal 2018, 2017 and 2016, we sold our equipment to 1,556, 1,429 and 1,175 customers, respectively, of which 833, 768 and 644 were new customers. Further, in Fiscal 2018, 2017 and 2016, 833, 768 and 644 existing customers made a repeat purchase representing 46.47%, 46.26% and 45.19% of our total customers in the respective Fiscals. Moreover, we continue to grow our global footprint with exports to African countries such as Nigeria, as well as countries such as the Germany, Indonesia, Iran, Myanmar, Netherlands, the Philippines and the United Kingdom. Apart from these exports, we also have installations of fully-equipped plants in countries such as Bangladesh, Pakistan, Nepal, Sri Lanka, and Thailand. Further, our diverse equipment portfolio has been made possible by our endeavour to focus on technological innovation and product development on existing products, apart from our ability to create new product segments.

Diversified product range appealing to a wide range of customers

With a focus on manufacturing equipment to facilitate the processing of rice grains, we commenced our operations with a single manufacturing facility in the year 1998. Subsequently, to ensure that we cater to the entire value chain of the rice grain processing industry we ventured into manufacturing products to facilitate activities such as parboiling and drying, husking, cleaning, and de-stoning and colour-sorting through four manufacturing facilities located in Bengaluru, Karnataka, and Chennai, Tamil Nadu, as on the date of this Draft Red Herring Prospectus. Over the years, we have also devised the capability to offer equipment to cater to millers depending on the extent of their throughput. Our rice mills have been designed with the capability to offer equipment with a throughput ranging from two MTPH to 20 MTPH.

To ensure that we meet the requirements of various market segments and address price points, our rice processing equipment are developed and manufactured under the following categories, *viz*., the 'Custom Milling Rice Mill Range', the 'Standard Range', and the 'Elite Range'. We also expanded our focus from the manufacture of equipment exclusively for the facilitation of rice processing equipment, to take into consideration various other grains including pulses, seeds, maize, and wheat. Our colour-sorting equipment, in particular, caters to customers across various segments such as pulses, wheat, and others. Since the launch of this equipment range in 2015, we have sold colour-sorters to 552 customers as of March 31, 2018. Our new range of parboiling equipment, was launched in 2017, has been sold to 36 customers as of March 31, 2018.

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, our revenue from the sales of our boilers, parboiling and drying equipment and colour sorting equipment was ₹622.91 million, ₹401.66 million, and ₹344.01 million, respectively, contributing to 23.41%, 18.18%, and 18.65%, of our revenues for each of these periods, respectively. As at March 31, 2018, we offer a range of 200 types of grain processing equipment to cater to the processing of rice, pulses, seeds, maize, and wheat. This apart, we also offer ancillary products such as yield management solutions.

Well-equipped manufacturing facilities

We are an ISO 9001:2015 and ISO 14001:2015 certified company, with our manufacturing facilities having the necessary technology and infrastructure to engage in the manufacture of grain processing equipment and provide ancillary product offerings. Our manufacturing facilities have been equipped with technology such as laser cutting machines, CNC turning and milling centres, CNC turret punching machines, and robotic welding machines. The machinery available at our manufacturing facilities enable us in undertaking various engineering activities through computer numerical controls, and other automated technology.

We own all the machinery that is required for the manufacture of our equipment, thereby allowing us the opportunity to utilise each of our machines at their respective optimal levels. Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. In June 2018, we concluded the expansion of the Jigani Unit and KIADB Unit II, by increasing the built-up area of these units by an additional 14,002.35 sq. ft. and 12,500 sq. ft., respectively.

Strong focus on research and development, leading to successful commercialization of innovative products

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative new products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven new trademarks, five patents, 12 designs, 28 copyrights, and renewal of the registration of one trademark. We believe that the changing needs of our customer base has contributed in providing our research and development team with various learning opportunities. This, in turn, has enabled us in developing a customised range of innovative product offerings.

With a view to enhance our focus on the entire value chain of the agro-processing industry, our research and development team has invested time into developing equipment to process grain by-products. These equipment, which are currently being developed in the pilot phase, include silica extractors and cogeneration plants. While silica extractors assist our customers in extracting silica, a by-product of rice husk having various industrial uses including in pulp and processing, detergent and soaps, rubber reinforcement (tyres), and plastic reinforcement, co-generation plants enable our customers to reduce their expenditure on purchase of power from third party sources. We have filed a patent application with the Office of the Controller General of Patents, Designs and Trademarks for the purposes of registering a patent in respect of our invention of the silica extractor. Our application for registration of the abovementioned patent is pending as on the date of this Draft Red Herring Prospectus.

We have invested in technology in order to enable innovations in our manufacturing processes, as well as in order to integrate our systems and processes through the SAP system. This integration enables us to streamline our operational and administrative functions and improve efficiency. The adoption of technology in our manufacturing process has allowed us to ensure that our manufacturing process is commensurate with global standards and practices.

Extensive sales network backed by a robust after-sales team

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. We believe that our wide network of domestic and international sales and distribution channels, coupled with our robust team of customer-grievance professionals who redress customer grievances in a timely manner, gives us an edge over our competitors. We are also backed by an after-sales service network of 111 employees. Additionally, our agents also have sales and after-sales personnel who engage with our customers to provide sales and after-sales services.

Personnel from our after-sales service network typically respond to customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers. Our marketing strategies focused on the expansion of our dealer and sales network, while maintaining a robust service team to redress customer grievances. We have implemented marketing programmes with a view to tap into new markets, expand footprint, deepen presence in existing markets, and put in place a demand generation engine. Our initiatives have enabled our sales personnel to establish a strong relationship with our customers, improve our understanding of customer requirements, enhance brand recall, and build knowledge of prevailing market conditions.

We focus on expanding our sales network to meet the demands of customers on a pan-India basis. As on March 31, 2018, our Company had an aggregate dealer network of 57 dealers in India and overseas, against a dealer network of 37 dealers as on March 31, 2016 in India and overseas. Our dealership network is also represented by a team of sales personnel who are engaged by our dealers. These sales personnel have been instrumental in establishing an interface between our Company and our end customers. As on March 31, 2018, our Company had a sales and distribution force of 34 employees and 57 agents, against a sales force of 27 employees and 37 agents as on March 31, 2016. Our after-sales and service network grew to 111 employees as on March 31, 2018, against 96 employees as on March 31, 2016. We have also established a separate team comprising of eight employees as on March 31, 2018 to cater to the sales and marketing of our non-rice processing equipment, as on March 31, 2018.

Product and market diversification protects our Company from risks associated with poor agricultural seasons in different parts of the country.

Effective and efficient business model, resulting in track record of operating and financial performance and growth

We have an effective and efficient business model which has been achieved by focusing on lean manufacturing and process optimization. We are also backward integrated and rely on a select group of suppliers for procurement of raw materials required to manufacture our equipment. This initiative has helped us in improving our operational efficiency, and has significantly contributed towards cost savings, whilst improving our profit margins. Our effective and efficient business model has resulted in strengthening our operating and financial performance in the following manner:

- Historically, we have been successful in controlling our costs and working capital requirements and have been successful in ensuring low borrowings from banks and financial institutions. As on March 31, 2018, we had a sanctioned secured borrowing of ₹135.00 million, and an outstanding amount of ₹11.40 million. For details, see "*Financial Indebtedness*" on page 383. As of Fiscal 2018, Fiscal 2017, and Fiscal 2016, our net working capital was ₹465.80 million, ₹313.74 million, and ₹262.91 million, respectively.

- Our operations have been expanded while ensuring a non-dilutive growth of our Company. Apart from a preferential allotment carried out by our Company in Fiscal 2002 increasing our Company's paid-up capital to ₹1.00 million, no allotment of Equity Shares has been made by our Company on account of infusion of equity. For details, see "*Capital Structure – Share Capital History of our Company*" on page 86.

- We have implemented a lean working capital cycle by controlling our costs and working capital requirements. This apart, our strategy of receiving advance fees and shipment charges from our customers and securing our receivables through letters of credit or bank guarantees issued in our favour by our customers has ensured that we maintain optimal cash flows. For Fiscal 2018, Fiscal 2017, and Fiscal 2016, our cash flows from operating activities amounted to ₹235.05 million, ₹352.32 million, and ₹215.22 million, respectively.

- Our operating and financial performance has resulted in a growth in our EBITDA. For Fiscal 2018, Fiscal 2017, and Fiscal 2016, our EBITDA was ₹500.25 million, ₹354.24 million, and ₹320.47 million, respectively. We have also been successful in maintaining a robust RoCE and RoE of 81.00% and 31.25% in Fiscal 2018, respectively.

Experienced and qualified management team with strong execution track record

We have an experienced and dedicated team of Key Management Personnel, with significant experience in the milling industry. Two of our Promoters, Rajendran Joghee and Ravindranath Ramaiah, are technocrats with over 25 years of individual experience in the agriculture processing industry. Our Promoters Rajendran Joghee and Ravindranath Ramaiah have brought to our Company vision and management, which we believe has been instrumental to our success. For details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 186. Our Company is also supported by an experienced management team, including our Chief Executive Officer, Rajan Aggarwal, who has over 30 years of industry experience, and our Chief Financial Officer, Ganapathy Subramaniam, who has over 35 years of experience. For details, see "*Our Management – Key Management Personnel*" on page 196.

Our team of Key Management Personnel are involved in our day to day management, growth objectives, and strategic initiatives. We believe that due to their understanding of industry trends, demands, and market changes, our Key Management Personnel have been able to scale our operating capabilities and take advantage of market opportunities over time.

OUR STRATEGIES

We remain passionately committed to deliver customer-driven innovative solutions to save process loss and maintain standards of hygiene in the food processing and allied industries, by adopting qualitative practices. To this end, we also intend on building longstanding and successful relationships with our customers.

We aim to achieve the above mission and grow our business by pursuing the following strategies:

Deepening our presence in the rice processing segment by expansion of product range

As part of our rice processing solutions, we currently offer a wide array of equipment for activities such as parboiling, milling, sorting, and grading. About 50% of the machinery forming part of the processing equipment portfolio in India comprises parboiling and drying equipment (*Source*: CRISIL Report). We have leveraged the technological advances made by our research and development department to improve our existing equipment range, as well as the equipment range obtained by us upon on our acquisition of Sunshine. As a part of our initiative to focus on the sale of rice processing equipment, we intend on enhancing our focus on developing parboiling and drying products which meet global standards, through our inhouse team of research and development professionals, whilst ensuring competitive pricing to ensure that we have access to a wide pool of customers. The market for our boilers and parboiling and drying equipment is growing, having enabled us to earn a revenue of ₹107.41 million in Fiscal 2018, and ₹48.66 million in Fiscal 2017.

Colour sorters comprise an emerging market with a low installed base compared with the more evolved milling equipment segment, suggesting low penetration (*Source*: CRISIL Report). However, rising demand for branded grains, and improvement in quality of products is expected to result in a rapid growth in the demand for this equipment. While we offer entry level and mid-range colour sorters to our customers to meet market demands, we propose to introduce high-end colour sorters as well. The growth in the market's requirement for colour sorters is clearly evidenced in the growing demand for our colour-sorting equipment, which has generated a revenue of ₹515.50 million in Fiscal 2018, and ₹353.00 million in Fiscal 2017.

Diversification of product offerings

We propose to expand our range of equipment offerings under the pulses, seeds, maize, and wheat processing categories. This apart, we propose to offer new product categories to facilitate activities such as storage of grains through silos. We also intend to encourage the usage of colour sorters and other equipment among non-rice category mills, thereby providing us with avenues to explore new food processing segments, including soya and other coarse grains.

We also propose to focus on our ancillary product offerings such as silica extractors and co-generation plants. While silica extractors assist our customers in extracting silica, a by-product of rice husk having various industrial uses including in pulp and processing, detergent and soaps, rubber reinforcement (tyres), and plastic reinforcement, co-generation plants enable our customers to reduce their expenditure on purchase of power from third party sources. We believe that these products will add to the profitability of our customers, apart from providing them with alternative and environment friendly solutions.

It is also expected that the increasing consumer demand for branded food grains across categories will facilitate a steady growth in the industry's requirement for equipment such as colour sorters, and other important milling equipment. Technological advancements have also improved returns on investments for millers, thereby encouraging them to increasingly opt for the mechanization of their mills.

Expansion of geographical footprint

Over the five-year period commencing from April 1, 2013 to March 31, 2018, we have manufactured and sold over 21,980 grain processing equipment across our customer facilities. We sold our equipment to 1,556, 1,429 and 1,175 customers in Fiscal 2018, Fiscal 2017 and Fiscal 2016, respectively, of which 833, 768 and 644 were new customers. Moreover, we continue to grow our global footprint with exports to African countries such as Nigeria as well as countries such as the Germany, Indonesia, Iran, Myanmar, Netherlands, the Philippines and the United Kingdom. Apart from these exports, we also have installations of fully-equipped plants in countries such as Bangladesh, Pakistan, Nepal, Sri Lanka, and Thailand. We believe that the strategic presence of our manufacturing facilities, as well as the pan-India and global presence of our distribution and sales network has contributed in establishing an effective and efficient business model, contributing towards our consistent operational performance and growth.

Our distribution and sales network is mapped across 19 states in India. Apart from a domestic distribution and sales network, we also have an established overseas distribution and sales network with partners located in seven countries and have succeeded in making deliveries to a total of 17 countries as of March 31, 2018. We have been successful in establishing a diversified geographic presence. Our revenue from sales in the southern region of India constituted 36.80% of our revenue from operations in Fiscal 2018 as compared to 32.14% of our revenue from operations in Fiscal 2016. Similarly, our revenue from sales in the central region of India constituted 21.36% of our revenue from operations in Fiscal 2018 as compared to 24.24% of our revenue from operations in Fiscal 2016. Our revenue from sales in the north and north eastern region of India constituted 25.37% of our revenue from operations in Fiscal 2018 as compared to 28.85% of our revenue from operations in Fiscal 2016.

To address the growing demand for grain processing equipment, and to cater to a global audience despite the seasonality of the agricultural sector, we propose to expand our global distribution and sales network over the next few years. Through our marketing strategy, we aim to focus on the major rice and food-grain producing states of India. We have specific equipment catering to the differing requirements of our customers, in terms of pricing, quality, as well as durability. Further, our marketing initiatives have enabled us to directly sell our equipment to food grain millers, and utilise the advantages posed by geographical diversification.

Facilitate equipment financing for our customers

We propose to tap into underpenetrated agricultural belts across urban and rural India, apart from expanding our international footprint into countries that heavily rely on the production and consumption of rice and other agricultural products, including, but not limited to, wheat, maize, and pulses. With a view to offer our equipment at affordable rates to a market that has been underpenetrated, we have, in the past, liaised with various banks and financial institutions. Through these collaborations, we offer attractive financing products to assist customers in purchasing agriculture processing equipment manufactured by our Company.

As part of our growth strategy, we propose to liaise with additional banks and financial institutions and working with them to provide our pool of agriculture centric customers with viable financing options for purchase of our products.

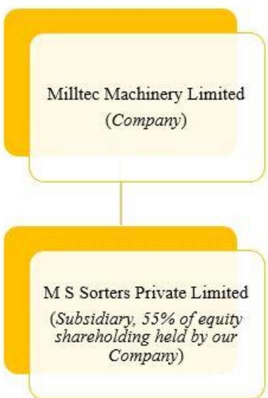
Pursue inorganic growth through acquisitions

We aim to continue to be one of the most preferred brand in the milling segment in India and grow our existing market share. Towards this end, we propose to expand our operations inorganically through strategic acquisitions of entities primarily engaged in businesses similar to ours. Every opportunity for expansion is viewed against the background of various factors such as the spending capacity of target customers, catchment area, availability of a local dealer and sales network, market penetration, expected investment, financial returns, and local competition.

In the past, we have been successful in acquiring and integrating established businesses with ours. For instance, in July 2016, we successfully acquired and integrated the business of Sunshine. This acquisition has enabled us to backward integrate our operations and strengthen our value chain. We also intend to continue to explore such business opportunities, including through inorganic acquisitions, and foraying into new product verticals, depending on market conditions and emerging business opportunities. This would enable us to expand our equipment range.

CORPORATE STRUCTURE

Our corporate structure is set out below:



DESCRIPTION OF BUSINESS

We are engaged in the business of providing agriculture processing equipment with a focus on milling activities. A description of our business is set out below.

Processing Equipment

Set out below is a flowchart depicting the various rice processing activities. These processes are also common to the processing of other agricultural products such as pulses, seeds, maize and wheat.

Description of Grain Processing Equipment

A brief description of the grain processing equipment we offer, along with the activities each of these are capable of performing is set out below:

Pre-cleaners: These are equipment intended to remove foreign particles such as stones, immature grains, and other impurities from the input prior to the processing of the grains. These contain metal and wooden sieves, as well as a scalperator drive to facilitate easy cleaning of grains and the removal of sticks and straws. They also have an in-built blower and aspiration system.

Boiler: These are automatic boilers that utilise solid fuel to produce heat with a high thermal efficiency. These are designed as per the requirements of the Indian Boilers Regulations, 1950. The boilers are designed to enhance ease of operation and utilisation for our customers, with the use of indigenously manufactured parts facilitating the easy availability of spare parts.

Cyclone husk furnace: This equipment is used as an alternative to boilers for mills where a conventional boiler cannot be installed or utilised. It is designed to produce hot air while reducing the production of smoke and other pollutants. The equipment can be installed to cater to the requirements of two driers simultaneously, and thus ensure a lower cost of investment for our customers.

Online paddy cooker: This equipment is used to boil and steam paddy grains as a part of the parboiling process. These are equipped with an automatic controlled heating system that allows for even cooking of the paddy and ensures uniformity in the colour of the cooked paddy. The equipment is designed to require less manpower, and input steam for cooking as compared to conventional cooking systems. The equipment can be retro-fitted to existing parboiling and drying systems of our customers.

Fluidized bed drier: This equipment is used to remove moisture from paddy that has undergone the parboiling process. It is designed with a system that utilises air to dry the paddy rapidly and uniformly. The equipment can be retro-fitted to existing parboiling and drying systems of our customers.

Parboilers and Driers: These are equipment intended for parboiling of paddy, a process for the partial cooking of paddy while ensuring that the grain husks remain intact. This process hardens the paddy and allows it to withstand the stress of milling activities, without losing nutritional value. Our parboilers and driers are constructed with stainless steel to maximize hygiene standards and processing and are equipped with a hot air blower and a heat exchanger in order to ensure maximum efficiency in heat transfer during the parboiling process.

Raw paddy driers: These are equipment that are used to dry paddy in order to make it safe for storage. The equipment is designed to suit various types of paddy grains and are fitted with systems to help customers monitor and control the drying temperature. The furnace designs of our rice paddy driers can be modified according to the fuel used, irrespective of such fuel being rice husk, wood, or biomass.

Dal dryer: This equipment is used to facilitate the drying of pulses such as lentils. The equipment is manufactured with a digital temperature control and electronic control panel and is designed to ensure uniform and efficient drying of the input pulses. The equipment is fitted with efficient burners that are energy and fuel efficient, and also ensure odourless burning.

Classifier: This equipment is intended to efficiently separate oversized and undersized impurities from input grains. Apart from being used to separate impurities, the equipment can also be used for classifying and separating input grain into different grades according to their sizes. The equipment is manufactured with precision screens to ensure efficiency in separating impurities and grains, as well as an angle controller to adjust the angle of the flow of grains.

Gravity separator: This equipment is used to facilitate the removal of undesirable impurities such as immature grains, grains damaged by insects, and admixtures of grains and seeds. These are exclusively used for agricultural products such as paddy, wheat, barley, and oilseeds. These are equipped with tools which facilitate the separation of items on the basis of specific weight, as desired by our customers. The equipment also has an easily adjustable deck which can tilt in three angles for optimum usage.

De-stoners: These are intended to facilitate the removal of stones, mud, and other foreign particles from input grains by separating impurities on the basis of their densities. These are designed to have a long operational life and are installed with closed circuit dust aspiration systems and lighting systems to enable easy viewing of the components of the equipment.

Flow balancers: These are equipment intended to automatically discharge the required amounts of input grains for processing in a controlled manner. It can be used for several types of grain including wheat, maize, and rice, and can be programmed to suit the specific needs of customers by the use of a touch-screen function. The balancer measures the flow of grain on a continuous basis and stores data with respect to the throughput of the input grains on a periodical basis. This data can be later accessed by our customers to generate reports regarding its functioning, including details regarding the actual flow rate, the total flow rate, and other parameters.

Pneumatic shellers: This equipment is intended to facilitate the easy removal of husks from paddy grains. Input grain is passed between two counter revolving rollers, which results in the removal of the husk from the grain. Our pneumatic shellers are equipped with automatic systems that control the pressure exerted by the rollers, as well as the correct feed rate for the input grains. These are capable of removing husks with a 95% level of accuracy.

Tray paddy separators: Our tray paddy separators designed for high capacity inputs and enable our customers to efficiently separate brown rice from paddy. These can be customized by customers to suit their speed requirements and can provide three distinct types of desired output on the basis of the customers selection: (i) paddy, (ii) brown rice, and (iii) a mixture of paddy and brown rice. Further, wear and tear of the trays and other component parts is minimised by the use of stainless steel.

Thickness graders: This equipment allows our customers to separate grains of rice on the basis of their thickness by passing input grains through cylindrical screens, which enable the separation of grains on the basis of their sizes. These can also be used to remove immature or broken grains from the input grain and can be installed with a variable speed drive to enable customers to customise the input speed.

Pearler / polisher (non-rice): This equipment is used to remove the husk from pulse seeds and polish their exteriors to result in a glazed appearance. It is designed to be utilised for a wide variety of pulses and are equipped with specially designed grinding wheels and adjustable sieve frames to improve the efficiency of the polishing process. The equipment has adjustable inclinations in order to adjust capacities as per requirements of our customers.

Rice whiteners: Our rice whiteners enable the whitening of brown rice by grinding grains without destroying the original shape of the rice kernel. These are installed with silicon carbide wheels to reduce the breaking of grains during the whitening process as well as a specially designed aspiration system to remove the bran produced during the whitening processes. These are also equipped with a mechanism that allows customers to control the amount of grain whitening to suit their requirements.

Super glazer: This equipment is used to polish rice grains by using friction between the grains. It is equipped with specially designed rollers to ensure good quality glazing while also ensuring that the incidence of grain breakage is reduced. The equipment is manufactured for short and medium length grains.

Silky polishers: This equipment uses water jets to polish the surface of rice grains by spraying water through a mixing chamber and creating friction between input grains by passing them through milling rollers. The use of water gives the output grains a shiny surface, resulting in the name "*silky*" polisher. These have several features such as the presence of a motor outside the body of the equipment to facilitate easy maintenance as well as a reduced height to increase the stability of the equipment.

Rotary sifters: This equipment enables our customers to sort rice grains into different categories, on the basis of size and quality. These are equipped with a wedge clamping mechanism to enhance performance of the equipment as well as a rotatory mechanism to increase the operation life of the equipment as well as facilitate the smooth functioning of its operations.

Length graders: Our length sorters enable our customers to separate broken grains from whole grains by passing them through rotating indented cylinders. The rotation results in the separation of the shorter broken grains from the whole grain, which are removed by a separate discharge outlet. These are equipped with features such as tear drop shaped indents to maximise the accuracy of separation as well as a sampling port to ensure that the output is of the desired quality. The equipment is installed with an in-built self-cleaning mechanism to ensure optimum productivity.

Colour sorters: This equipment uses technology and lighting to remove impure grains from the input on the basis of their colour, rather than on the basis of their length or weight. These are equipped with several features such as auto sorting control systems, image capturing systems capable of storing up to 200 profiles to enable our customers to alter settings to suit their specifications, and a quality ejector system to monitor the quality of the output. The usage of anodized chutes for the passage of input grains prevents the blockage of the system by ensuring the smooth flow of grain.

Packaging equipment: Our packaging equipment allows our customers to pack grains into bags with capacities ranging from 10 kilograms to 75 kilograms. These are equipped with several features such as weighing bins, discharge bins, and a control system to facilitate the smooth packing of grains.

Ancillary Product Offerings

As part of our ancillary product offerings, we provide non-milling equipment such as yield management, silica extraction, and co-generation solutions. A brief description of each of these product offerings are set out below:

Yield Management: As a part of our yield management solutions, we offer a flow balancer and measurer which enables our customers in identifying fluctuations in throughput and improper equipment settings. Our flow balancers automatically discharge the amounts of various throughputs of grains as per user requirements and continuously measures the flow rate. The reports generated by the flow balancer display the actual flow rate, total flow rate from the previous reset time along with other parameters on the screen.

Silica Extraction: Our silica extractors assist our customers in extracting silica, a by-product of rice husk. Silica has various industrial uses including in pulp and processing, detergent and soaps, rubber reinforcement (tyres), and plastic reinforcement. Silica extractors are custom-designed and manufactured for our customers on the basis of their requirements. Our silica extractors have a capacity of extracting two tonnes of silica per day, depending on the size of the input. This product is currently in its pilot phase.

Co-generation: Through our co-generation offerings, we supply a complete package of cogeneration plants comprising a boiler, turbine, gear box, alternator, control panel, and other supporting accessories. Co-generation plants enable millers to reduce their expenditure on the purchase of power from third party sources. The product is currently in its pilot phase.

MANUFACTURING FACILITIES

As on March 31, 2018, we had four manufacturing facilities located in the Bengaluru, Karnataka and Chennai, Tamil Nadu. As on March 31, 2018, the details of our manufacturing facilities are provided in the table below:

Facility	Location	Purpose	Total land area (sq. ft.)	Total built-up area (sq. ft.)	Ownership
KIADB Unit I	Bommasandra, Bengaluru	Assembly, painting, and packaging of equipment. Manufacture of milling equipment	131,456.00 (with 84,261.00 presently unutilised)	47,195.00	Owned
Jigani Unit	Jigani, Bengaluru	Laser cutting, CNC, H boring, turret punching, machine shop and fabrication. Manufacture of milling equipment	101,779.43 (with 34,010.90 presently unutilised)	67,768.53	Owned
KIADB Unit II	Bommasandra, Bengaluru	Assembly and packaging. Manufacture of colour sorters	42,637.71 (with 16,887.22 presently unutilised)	25,750.49	Owned
Chennai Unit	Poonamallee, Chennai	Fabrication and machine shop.	27,007.00 (completely utilised)	27,007.00	Leased

Facility	Location	Purpose	Total land area (sq. ft.)	Total built-up area (sq. ft.)	Ownership
		Manufacture of parboilers and driers			

In June 2018, we concluded the expansion of the Jigani Unit and KIADB Unit II, by increasing the built-up area of these units by an additional 14,002.35 sq. ft. and 12,500 sq. ft., respectively. The purpose of expansion of these facilities was to provide for additional space for catering to our growing customer demands.

DISTRIBUTION AND SALES NETWORK AND MARKETING STRATEGIES

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas.

Our Company adopts various marketing strategies to improve our market share and enhance our market reach. We conduct sales forecasting to predict the possible levels of sales for three months, based on the status of pending orders. Our marketing strategies are centred around enhancing the marketing of our equipment, and to maximise the visibility of our equipment before commencement of the agricultural season. We implement yearly and short-term strategies to ensure that we maximise our opportunities for growth. We have also established a call centre consisting of eight employees to promote the sales of spare parts for our equipment and address post-sales requirements of our customers.

PRODUCTION PROCESS MANAGEMENT

Our production process typically involves certain key standard functions such as production planning, processing, and storage and dispatch. Details of our production process are as follows:

Production planning

We have a dedicated team involved in the formulation of our production plan. Our production planning team receives a three-month forecast from our marketing department, which is typically provided during the final week of the preceding quarter. The forecast includes details of the type of machines required, the capacities and quantities of such machines, and the locations where these machines are required to be deployed at. The forecast is treated as being fixed for the first month following its receipt, and tentative for the subsequent two months of the relevant quarter. The tentative forecast provides our team with insight on the planning required for procurement of raw materials for our manufacturing facilities. Further, the fixed forecast for the first month of the relevant quarter allows our production planning team to identify available stocks at our manufacturing facilities, and formulate a production plan, including a day-wise supply plan for the supply of fabricated and mechanised parts for our manufacturing facilities. Based on the forecast, our production planning team also liaises with our purchase department for procurement of raw materials, and sourcing of such materials from our suppliers.

Processing

The raw materials received from our suppliers is verified by our quality control teams and is segregated and stored according to type and quality. With respect to components and parts received from our Jigani Unit, the supplies are subjected to surface preparation, and undergo a painting process before being sorted and sent for storage by our quality control teams. Raw materials in storage are retrieved by way of a process called '*kitting*', which collects parts for machine orders as defined by bills of materials and translates such machine orders to operations as a production order. The fully kitted production orders are then moved in trolleys to assembly lines. Our manufacturing facilities are equipped with three kinds of assembly lines, *viz*., (i) fast moving machines, (ii) medium moving machines, (iii) and large machines. Each assembly line has a unique manpower requirement and assembly cycle time, which allows us to determine output targets from them on a daily basis. Production orders are also subject to processes such as laser / punching, welding, and buffing.

Quality check

Before our products are deemed to be fit for dispatch, we subject our products to several rounds of quality checks during manufacture, assembly, and completion. In addition to conducting quality checks of the manufactured products, our independent quality team also conducts continuous sample checks from our assembly lines. These samples are then subjected to quality tests in order to ensure compliance with requirements of our ISO certification norms. Our quality team is entrusted with the responsibility of ensuring the maintenance of production quality in accordance with preapproved standards. Online feedback is provided to the production team on the basis of quality checks to ensure that corrective actions are carried out, if required, in order to maintain the quality of the products manufactured by us.

Storage and dispatch

The final products are packed and stored in stipulated locations in our units for dispatch as per instructions set out in the orders received by us. The final products are then transported to the locations of our customers at various destinations by trucks by third party logistics service providers. Our logistics department is entrusted with the responsibility of ensuring the efficient and correct storage, and dispatch of our manufactured products.

RAW MATERIALS

Our procurement process is managed by a team of dedicated engineers with relevant industry and market knowledge. Our procurement process team has developed a strong vendor base through their understanding of various factors such as vendor capabilities, variations in purchase prices as per market fluctuations, and costing across items and units. Our procurement process team has standardised processes and contracts, and apply consistent metrics across the procurement function, and streamline the complete procurement cycle in order to make the procurement of our raw materials cost effective and efficient.

As of Fiscal 2018, Fiscal 2017, and Fiscal 2016, our expenses towards cost of materials consumed (including changes in the inventories of work in progress, semi-finished goods and finished goods) was ₹1,470.72 million, ₹1,242.69 million, and ₹1,001.79 million, respectively, which constituted 55.26%, 56.26%, 54.31%, respectively, of the revenue from operations generated in the corresponding periods. We directly negotiate the prices for a majority of our raw materials with our suppliers on a regular basis. The prices for our supplies of steel are fixed on a quarterly, half-yearly, or yearly basis, which correspond to the duration of the price agreements that we enter into for other raw materials.

As we generally require components that are specifically designed and developed to meet our needs, we employ a component sourcing strategy that is targeted at developing long-term relationships with suppliers who can meet our requirements. This ensures timely availability of components of desirable quality and quantity for use in our manufacturing process. The price adjustments that we agree upon with suppliers who provide us with bought-out parts are based upon price adjustment agreements.

We have a diversified supplier base and believe that this helps us in minimising supplier risk due to low supplier concentration. Prior to being on-boarded by us, our suppliers undergo a qualification and performance rating process with us and our customers, so as to enable that the quality of the raw materials supplied by them complies with required standards of quality. Although we do not have long-term contracts with any of our raw material suppliers or bought-out parts suppliers, we have maintained long-term relationships with a majority of our suppliers, by ensuring that we review our agreements with them on a periodic basis.

UTILITIES

For our operations, we need a substantial amount of power and fuel. Our total power and fuel costs comprised 0.76% of our total expenses on consolidated basis for Fiscal 2018.

The process of manufacturing of our milling equipment and spare parts for our equipment involves several processes such as laser cutting, SG iron casting machining, paint shop process, grit blasting, and horizontal boring. These processes require a continuous supply of electricity as well as high electricity load. This apart, our manufacturing process also requires a supply of electricity with minimal fluctuation in voltage. This ensures that we retain the high quality of our products, and also results in the enhancement of the productivity and lifetime of the products manufactured by us. Our Company has made arrangements for captive power by installing generator sets in all our manufacturing facilities. Our Company also utilises machines which are equipped with voltage stabilizers.

Although our manufacturing process is not water intensive, we utilize water for coolant mixing, as well as distilled water for the operation of our laser cutting machines. We obtain water from borewells situated at all our manufacturing facilities, and have also installed an online reverse osmosis treatment plant. However, our requirement for distilled water is met through procurement from third party sources.

AWARDS AND ACCREDITATIONS

Set out below are a list of key awards and accreditations received by our Company:

Calendar Year	Award	Conferred by
2000	Commendation Award for Best Business Exhibitor	Confederation of Indian Industry

Calendar Year	Award	Conferred by
2003	Award for participation in the Rice Tech 2003	Rice Miller Reporter Publication Group
2005	Valued Participation in the Food and Technology Expo 2005	NNS
2009	Award for Participation in the International Rice and Grain Tech	Triune Exhibitors Private Limited
2012	Award of Appreciation at the 71st International Exhibition on Rice Processing Solutions	Rice Tech Expo
	Award for Best Participation in the Rice and Dal Tech Expo 2012	Y – Axis
2013	Certificate of Appreciation at the Cambodia Rice Forum 2013	Cambodia Rice Federation
2014	Award of Appreciation	Punjab Rice Millers Association
2015	Best Presentation at the Rice and Pulses Tech Expo 2015	Yuva Raichur Rice Millers Association
	Award for Participation in the Sugar Summit Asia 2015	Tefla's
2016	Certificate of Appreciation for Contribution as a Gold Sponsor to the Cambodia Rice Forum	Cambodia Rice Federation
	Award of Appreciation at the Rice Pro-Tech Expo 2016	Business Empire Exhibitions
	Certificate of Participation in the Karnataka State Rice Millers Association Silver Jubilee Function and exhibition on Rice Milling and Technology	Raichur Rice Millers Association
	Award of Best Stall at the Karnataka State Rice Millers Association Silver Jubilee Function and exhibition on Rice Milling and Technology	Raichur Rice Millers Association
2017	Award of Honour for being an Exclusive Sponsor	All India Rice Exporters Association
	Award of Honour at the Conference cum Exhibition on Rice Milling and Technology	Chirag Agri Ventures Pvt Ltd
	Award of Honour at the Food Show India 2017	All India Rice Exporters Association
	Award of Honour for Active Participation in GrainEx, India	Adamas Events Private Limited
	Award for Participation in the IDMA 2017 Fair	IDMA
2018	Award of Honour for Exhibiting at Food Show Bihar 2018	Chirag Agri Ventures Private Limited

TECHNOLOGY, RESEARCH AND DEVELOPMENT

Our research and development team consists of 22 engineers, who have developed several innovative products such as pulse milling lines, seed milling lines, parboiling and dryer equipment. In addition to the development of new products, our team also carries out value engineering processes on our existing equipment to improve their efficiency and reduce costs of operation. We have also implemented the SAP system which enables us to improve process efficiency, conduct supply chain forecasting as well as enhance data security.

INTELLECTUAL PROPERTY

Our business is largely dependent on the brand name "*MILLTEC*", which has over the years helped us in building brand equity and customer loyalty. The trademark for the brand name "*MILLTEC*" was registered in the name of our Company on January 3, 2002 under class 30, and on July 18, 2006, under class 29 and class 31. As on the date of this Draft Red Herring Prospectus, we have registered 25 trademarks under the laws of countries such as India, China, Egypt, Indonesia and Nepal, among others, and have also registered 253 copyrights over the drawing names used for our equipment. We have also registered over 43 designs. Further, we have applied for the registration of seven new trademarks, five patents, 12 designs, and 28 copyrights, and for the renewal of the registration of one trademark.

EMPLOYEES AND HUMAN RESOURCES MANAGEMENT

As of March 31, 2018, we had a total work force of 821 individuals comprising of 396 employees and 425 individuals engaged by us on a contractual basis. The following table illustrates the break-up of our work force on the basis of the functions carried out by them:

Category	Number of employees	Number of individuals engaged on a contractual basis
Sales and marketing	45	-
Research and development	18	4
After sales management	124	-

Category	Number of employees	Number of individuals engaged on a contractual basis
Operations	179	385
Finance and IT	15	1
HR and administration	12	35
Management	3	-
TOTAL	**396**	**425**

Our human resource practices are aimed at recruiting talented individuals, ensuring their continuous development and making sure their grievances, if any, are redressed in a timely manner.

We conduct regular trainings for our employees to enhance their technical and soft skills, and to educate them on the importance of following safety procedures. The following table illustrates the hours of training conducting for our employees for the Fiscal 2018:

Category	Number of hours
Safety	323
Soft skills	887
Technical skills	3,693
TOTAL	**4,903**

Further, we have also implemented several incentives and reward programs such as the implementation of an award for the star performer in terms of monthly sales, the quarterly for the best region in terms of sales target achieved and the apex turnover incentives. We also conduct regular health camps for the family members of our employees.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

We have constituted a risk management committee that functions under the supervision of our Board and consists of three members from our Board. The risk management committee has been entrusted with the identification and mitigation of risks. In addition to the risk management committee, we also conduct an annual audit of our Company's internal controls by an internal auditor, whose report is then considered by the audit committee of our Company as well as our Board.

COMPETITION

We experience significant competition from various market players for all our equipment. The key competitive factors include product quality, product attributes, service capability, and after-market services. Some of our key competitors across our equipment portfolio are:

Equipment	Competitors*
Pre-cleaners	Buhler, Suri, Fowler Westrup, Guru Nanak Industries
Parboilers	SKF Boilers and Driers Private Limited, HSF Food Protech
Boilers	SKF Boilers and Driers Private Limited, HSF Food Protech, Induss
Dryers	Buhler, SKF Boilers and Driers Private Limited, HSF Food Protech
De-stoners	Buhler, Satake, GG Dandekar, Suri, Fowler Westrup
Shellers	Buhler, Satake, GG Dandekar, Suri
Whiteners	Buhler, Satake, GG Dandekar, Suri, Guru Nanak Industries
Polishers	Buhler, Satake, GG Dandekar, Suri
Elevators	Buhler, Satake, GG Dandekar, Suri
Graders	Buhler, Satake, GG Dandekar, Suri
Colour sorters	Buhler, Satake, GG Dandekar, QED Agro Systems, Orange Sorting Machines, Promech Industries, Unique sorter

**Source*: CRISIL Report.

INSURANCE

We maintain a number of insurance policies which are in line with industry practices. The insurance policies maintained by us include policies covering burglary, standard fire and perils, and other accidental risks. Our insurance coverage and choice of policies or the nature of risks covered are not subjected to any independent third-party review. We believe that the insurance policies availed by us are adequate and take into account our scope and scale of business, as well as the potential liabilities that we reasonably anticipate.

CORPORATE SOCIAL RESPONSIBILITY

We invest in schemes intended for the upliftment of the rural and socially underprivileged sections of society. We donate to charities working for the benefit of mentally challenged girls, with a view to ensure the welfare of the rural society. We have also donated items such as school books and tailoring machines to the needy. Further, we have constructed a mid-day meal hall for school children in West Bengal and have donated a waste removal vehicle to the Bidiraguppe Gram Panchayat.

The amount of money apportioned by our Company towards CSR activities was less than the limits prescribed under the Companies Act, 2013 for Fiscal 2018. Going forward, our Company will endeavour to spend monies on CSR activities in accordance with prescribed limits. The deficiency in spending the requisite amount towards CSR activities has been disclosed by our Company in the Director's report which forms a part of the financial statements for Fiscal 2018, in accordance with the provisions of the Companies Act, 2013.

IMMOVEABLE PROPERTIES

Our manufacturing facilities are located on such premises that are either owned by us or leased by us. In addition to our manufacturing facilities, we also have three offices that we occupy on a lease basis.

Details of our immovable properties are listed below:

Sr. No.	Location	Lease hold / owned / leave and license	Date of purchase / lease	Term of lease	Whether purchased / leased from a related party
1.	#51-A, I Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India	Owned	May 17, 2003	-	No
2.	#325-D, BJLR Industrial Area, Jigani, Bengaluru – 562 106, Karnataka, India	Owned	April 19, 2013	-	No
3.	#235-R, III Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India	Owned	April 17, 2006	-	No
4.	#19/3, Erikkari Salai, Meppur Village, Nazarathpet, Poonamallee Taluk, Thiruvallur District, Chennai – 600 123, Tamil Nadu, India	Leased	August 4, 2016	Two years from August 4, 2016	No
5.	#1101, 11th Floor, Pearls Omaxe, Plot #B-1, Netaji Subhash Place, Pitam Pura, Delhi – 110 034, India	Leased	December 18, 2015	Three years from November 21, 2015	No
6.	#47/2, Sri Maruthi Layout, Bommasandra Industrial Area, Bengaluru – 560 099, Karnataka, India	Leased	August 1, 2017	One year from August 1, 2017	No
7.	Plot # 172, Bommasandra Industrial Area, Bengaluru – 560 099, Karnataka, India	Leased	November 14, 2017	Three years from November 1, 2017	No

REGULATIONS AND POLICIES

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

We operate in multiple segments including (i) providing equipment to the agriculture processing industry, (ii) end-to-end grain processing solutions (rice milling, pulses milling, seeds processing, and maize processing) offered by the Company, and (iii) ancillary service offerings such as yield management solutions, silica extraction, co-generation plants, and end-to-end turnkey solutions. For further details, see "Our Business" on page 155.

Under the provisions of various central government and state government statutes and legislations, our Company and our Subsidiary are required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see "*Government and Other Approvals*" on page 389.

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

BUSINESS SPECIFIC REGULATIONS

The Factories Act, 1948 ("Factories Act")

The Factories Act seeks to regulate the employment of workers in factories and makes provisions for the health, safety and welfare of factory workers, including requirements for adequate maintenance of plants, security systems, and provision of adequate training and supervision. The Factories Act defines a 'factory' to be any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power, or premises where there are at least 20 workers who are engaged in a manufacturing process without the aid of power. Each state government has set out rules in respect of the prior submission of plans, their approval for the registration of the establishment, and licensing of factories.

The Indian Boilers Act, 1923 ("Boilers Act")

The Boilers Act was enacted with the objective to, *inter alia*, (i) provide for the safety of life and property of persons from the danger of explosions of boilers, (ii) lay down the procedure for registration of the boilers in India, and (iii) lay down penalties for contravention. A 'boiler' refers to any closed vessel exceeding 22.75 litres in capacity which is used expressly for generating steam under pressure and includes any mounting or other fitting attached to such vessel, which is wholly or partly under pressure when shut off. As per the provisions of the Boilers Act, the utilisation of an unregistered boiler is not permitted.

Legal Metrology Act, 2009 ("Legal Metrology Act")

Legal Metrology Act came into effect on January 14, 2010 and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

The key features of the Legal Metrology Act are:

- units of weights and measures are to be based on metric system only;
- all weights and measures shall follow the prescribed specification and shall be verified and also re-verified periodically before use;
- pre-packaged commodities shall bear statutory declarations;
- registration is required before import of any weight or measure;
- approval of model is required before manufacture or import of any weight or measure; and
- without licence no weight or measure may be manufactured, sold or repaired.

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act was enacted with the objective to, *inter alia*, (i) consolidate the laws relating to generation, transmission, distribution, trading and use of electricity, (ii) rationalize the electricity tariffs and (iii) lay down the provisions for the constitution and function of the central electricity authority. The Electricity Act, also lays down a certain standard of performance to be followed by the licensee, to protect the interest of consumers. The procedure for grant of license to the licensee, to transmit, distribute and undertake trading in electricity as an electric trader is also governed by the Electricity Act. Accordingly, it requires every licensee including transmission and distribution companies under the Electricity Act to supply electricity only through the installation of a correct meter in accordance with regulations made by the Central Electricity Authority in this regard. The Central or state Electricity Regulatory Commission is empowered to adjudicate in respect of any noncompliance with such requirement. Additionally, the Electricity Act levies penalties, including imprisonment, for tampering with and unauthorized use of meters.

ENVIRONMENT REGULATIONS

All manufacturing companies must ensure compliance with various applicable environmental legislations. Some of the important environmental legislations applicable to us, *inter alia*, are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Environment Protection Act, 1986. Prior to the undertaking of a project for construction, development or modification of a plant, system or structure, our Company will be required to file an Environment Impact Assessment ("**EIA**") with the State Pollution Control Board and the Ministry of Environment and Forests ("**MOEF**"). Companies are required to obtain consents of the relevant State Pollution Control Boards for emissions and discharge of effluents into the environment. The relevant authority will assess the impact of the project on the environment before granting clearance. The clearance may be granted subject to certain conditions / alterations required to be made in the project.

Environment (Protection) Act, 1986 ("**EP Act**")

The EP Act, and the rules thereunder, have been enacted to implement the decisions of the United Nations Conference on the Human Environment that relate to the protection and improvement of the human environment, and *inter alia*, prevent the occurrence of environmental hazards to human beings and property. In accordance with the provisions of the EP Act, no person carrying on any industry, operation, or process, is permitted to discharge or emit any environmental pollutants in excess of prescribed standards. The EP Act largely operates as an 'umbrella' legislation which has been designed to provide a framework for the central government to coordinate activities of various central and state government authorities, established under previous laws such as the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981.

Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**")

The Water Act, and the rules thereunder, have been enacted to prevent the pollution of water by industrial, agricultural, and household discharge that can contaminate water sources. The main objective of the Water Act is to provide for the prevention, control, and abatement of water pollution, and the maintenance and restoration of the wholesomeness of water. The Water Act recognises the Central Pollution Control Board ("**CPCB**"), and respective State Pollution Control Boards ("**SPCB**") as regulatory authorities, which, in their respective capacities, perform various functions including the planning and execution of nation-wide and state-wide programmes for the prevention, control, or abatement of water pollution. The Water Act also prohibits the release of any poisonous, noxious, or polluting matter into any water body.

The CPCB, from time to time, categorises industries into 'red', 'orange', or 'green' depending on the extent of pollution emitted by such industries. All industries falling under any of the aforementioned categories are required to obtain a combined consent to operate their facilities from the respective SPCBs to ensure compliance with the provisions of the Water Act and the Air (Prevention and Control of Pollution) Act, 1981.

Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Water Cess Act**")

The Water Cess Act, and the rules thereunder, have been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries. Such cess is levied by local authorities constituted under the Water Act, with a view to augment the resources of the CPCB and SPCBs, and for the prevention and control of water pollution. Under the provisions of the Water Cess Act, consumers are required to install water meters, and file monthly returns with authorities constituted under the provisions of the Water Cess Act.

Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**")

The Air Act, and the rules thereunder, have been enacted to control and prevent air pollution in India. The main objective of the Air Act is to provide for prevention, control, and abatement of air pollution. Similar to the provisions of the Water Act, the CPCB and respective SPCBs are recognised under the Air Act as regulatory authorities, which are entrusted with the implementation and enforcement of the various provisions of the Air Act. The functions of the CPCB and various SPCBs include carrying out training programmes, planning and executing such programmes at a national and state level to raise awareness on air pollution control. The Air Act provides for the declaration of 'air pollution control areas' within the precincts of which the use of certain fuels is prohibited. Additionally, the Air Act also seeks to prevent emissions which are in excess of prescribed standards.

The CPCB, from time to time, categorises industries into 'red', 'orange', or 'green' depending on the extent of pollution emitted by such industries. All industries falling under any of the aforementioned categories are required to obtain a combined consent to operate their facilities from jurisdictional SPCBs to ensure compliance with the provisions of the Water Act and Air Act.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Wastes Rules**")

The Hazardous Wastes Rules have been enacted to ensure resource recovery and disposal of hazardous wastes, as defined under the Hazardous Wastes Rules in an environmentally sound manner. The Hazardous Wastes Rules apply to all persons who handle, generate, collect, store, pack, transport, use, treat, process, recycle, recover, pre-process, co-process, utilise, offer for sale, transfer, or dispose hazardous and other wastes. In accordance with the provisions of the Hazardous Wastes Rules, every person undertaking any of the aforementioned activities with hazardous, and other wastes, is required to obtain an authorisation for undertaking such activities. Further, an occupier is *inter alia*, under an obligation to ensure the safe and environmentally sound management of hazardous and other wastes. It may be noted that wastes defined under the Hazardous Wastes Rules are to be disposed only in a facility that has been duly authorised under the provisions of the Hazardous Wastes Rules.

INTELLECTUAL PROPERTY LAWS

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trade mark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act, which came into force on December 30, 1999, governs the law pertaining to protection of trade marks in India. A trade mark is essentially any mark capable of being represented graphically and which distinguishes goods or services of one person from those of others. It also includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. The registration of a trade mark under the Trade Mark Act is valid in India for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trade mark grants the owner a right to exclusively use the trade mark as a mark of goods and services and provides for remedies in case of the fraudulent use of deceptively similar marks by any third party. The Registrar of Trade Marks is the authority responsible for registration of the trade marks, settling opposition proceedings and rectification of the register of trade marks. As per the Trade Marks (Amendment) Act, 2010 ("**TM Amendment Act**"), the Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau of the World Intellectual Property Organisation and maintain a record of international registrations. The TM Amendment Act also removes the discretion of the Registrar to extend the time.

The Trade Marks Rules, 2007 which substitute the earlier 2002 rules, lay down certain guidelines regarding procedure. Some of the salient features of the rules are: process for determination of "well known mark" established, representation of sound marks, recognition of e-mail as mode of service, new registration fees and filing of statement user is mandatory among others.

The Patents Act, 1970 ("**Patents Act**")

The patent regime in India is governed by the Patents Act and rules and regulations made thereunder. Pursuant to the Patents (Amendment) Act, 2005, and the TRIPS Agreement, product patent regime with a protection period of 20 years became applicable in India. The patent regime protects inventions through patents. The amended Patents Act defines "inventive step" to mean a feature of an invention that involves a technical advancement as compared to existing knowledge or having economic significance or both and that makes an invention not obvious to a person skilled in the art. Any person claiming to be the true and first inventor of an invention or the assignee of the true and first inventor or the legal representative of any deceased person who was entitled to make an application immediately before death may apply for a patent for an invention. In addition to domestic law, India is a party to international intellectual property related instruments including the Patent Cooperation Treaty, 1970. The Patents Rule, 2003 lay down the procedural guidelines for the implementation of the Patents Act.

Indian Copyright Act, 1957 and Copyright Rules, 1957 ("Copyright Act")

The Copyright Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. While copyright registration is not a pre-requisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts within the lifetime of the author and until 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright. However, the Copyright Act prescribes certain fair use exceptions which permit certain acts, which are otherwise considered copyright infringement.

The Design Act, 2000 ("Design Act")

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period the design is made available to the public by placing it in the public domain.

LAWS RELATING TO EMPLOYMENT

In undertaking its operations, our Company is required to ensure compliance with various employment laws. These include, but are not restricted to:

(i) Contract Labour (Regulation & Abolition) Act, 1970;

(ii) Employees Compensation Act, 1923;

(iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(iv) Employees' State Insurance Act, 1948;

(v) Equal Remuneration Act, 1976;

(vi) The Maternity Benefit Act, 1961;

(vii) Industrial Disputes Act, 1947;

(viii) Minimum Wages Act, 1948;

(ix) Payment of Bonus Act, 1965;

(x) Payment of Gratuity Act, 1972;

(xi) Payment of Wages Act, 1936;

(xii) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;

(xiii) Industrial Employment (Standing Orders) Act, 1946;

(xiv) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and

(xv) Relevant State Shops and Commercial Establishments Act.

OTHER LAWS

Approvals from Local Authorities

Setting up of a factory or manufacturing unit entails the requisite local approvals to be obtained from relevant local panchayat(s) / development authority / town and country planning department outside the city limits, and appropriate development authority within the city limits. Consents from the state pollution control board(s) and the relevant state electricity board(s), among others, are required to be obtained before commencing the building of a factory or starting manufacturing operations.

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, the Information Technology Act, 2000 and other applicable statutes imposed by the central government or the state government for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as MILLTEC Machinery Private Limited on August 28, 1998, at Bengaluru, Karnataka, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company, and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on March 21, 2018 in the name of MILLTEC Machinery Limited. The name of our Company was changed from MILLTEC Machinery Private Limited to MILLTEC Machinery Limited upon conversion of our Company from a private limited company to a public limited company.

For a description of our business, see "*Our Business*" on page 155.

For a description of schemes of arrangements involving our Company, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*" on page 181.

CHANGES IN REGISTERED OFFICE

Date of change of Registered Office	Details of the address of Registered Office
August 27, 2004	Pursuant to the resolution passed by our Board, on August 27, 2004, our registered office was shifted from: 235R, KIADB Industrial Area, III Phase, Bommasandra, Bengaluru – 560 099 Karnataka, India, to #51/A, Phase I KIADB Industrial Area Bommasandra, Bengaluru – 560 099 Karnataka, India

Except as disclosed above, there has been no change in the Registered Office of the Company since its incorporation.

MEMORANDUM OF ASSOCIATION OF OUR COMPANY

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

"*1. To carry on the business of manufacturers, wholesalers, retailers, merchants, dealers, exporters, importers of any kind of machinery, equipments and / or tools for the food processing industry and all kinds of machinery, tools, implements for all kinds of industry including agricultural, horticultural and scientific instruments of any kind.*

2. To undertake any kind of turnkey, engineering projects of any kind and to assemble, fabricate machines and tools and to deal in machinery, repair, convert, alter, let on hire machinery, implements, tools and hardware of all kinds.

3. To engage, undertake and execute any contracts for works involving repair or use of any machinery or machine-tools and to carry out any primary, secondary, ancillary or other works comprised in such engineering contracts in India or any place in the world."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
September 30, 2003	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹1 million divided into 100,000 Equity Shares to ₹5 million divided into 500,000 Equity Shares.
March 10, 2008	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹5 million divided into 500,000 Equity Shares to ₹20 million divided into 2,000,000 Equity Shares.
March 25, 2009	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹20 million divided into 2,000,000 Equity Shares to ₹30 million divided into 3,000,000 Equity Shares.
November 16, 2009	Clause III (C) of the Memorandum of Association was altered to include the following incidental or ancillary objects:

Date of Shareholders' Resolution	Particulars
	"6. To carry on the business of buyers, sellers, importers, exporters, agents, dealers, cleaners, sorters, graders and packers for all types of food grains and to construct and run silos and cold storages for grain storage and also letting it for rent or otherwise."
May 24, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹30 million divided into 3,000,000 Equity Shares to ₹31 million divided into 3,100,000 Equity Shares.
July 23, 2013	Clause III (B) of the Memorandum of Association was altered to replace Object III(B)(24) with the following object: *"24. To enter into any scheme of amalgamation or arrangement for merger, de-merger, or other forms of corporate restructuring with any other company, body corporate, firm or legal person having objects altogether or in part similar to those of this company."*
	Clause III(C) of the Memorandum of Association was altered to include the following objects: *"7. To carry on the business of Fabricators of any kind of machinery components, parts or tools for the food processing industry and all kinds of machinery components and parts for all types of industries.* *8. To carry on the business of manufacturers, dealers smelters of casting, forming, plating. Painting, finishing and shaping parts and components of plants, machineries and equipments rolling mills of any section and articles of every description of ferrous metals and other materials.* *9. To carry on the business of obtaining and carrying out job works for existing machineries.* *10. To carry on the business as consultants, give advice and impart technical knowledge in developing systems or process relating to production, storage, distribution, marketing of various consumer durables and to provide logistical support for any business activity."*
April 8, 2014*	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹31 million divided into 3,100,000 Equity Shares to ₹61 million divided into 6,100,000 Equity Shares.
February 22, 2018	Clause I of the Memorandum of Association was amended to reflect the new name of our Company, "MILLTEC Machinery Limited".
April 20, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹61 million divided into 6,100,000 Equity Shares to ₹100 million divided into 10,000,000 Equity Shares.
June 15, 2018	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of the Company from ₹100 million divided into 10,000,000 Equity Shares to ₹150 million divided into 15,000,000 Equity Shares.

* *Inserted pursuant to the order dated April 8, 2014 passed by the High Court of Karnataka at Bengaluru, sanctioning the composite scheme of amalgamation of MIPL and MOPL with our Company.*

MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the key events in the history of our business:

Financial Year	Particulars
1999	Incorporation of the Company
2002	Revenue from sales crosses over ₹50 million
	The brand name, "MILLTEC", is established in the market
2004	Introduction of new products such as de-husking machines and graders
	Commencement of supply of end-to-end turnkey solutions
2006	Our Company executed an agreement with a German agricultural processing equipment manufacturer for receiving technical knowhow
2007	Our Company establishes a pan-India sales and service network, with our sales and service coverage spreading across 151 districts in 18 States
2008	Our Company caters to mills processing up to five TPH
	Commencement of exports of products to Germany and Sri Lanka
2010	Revenue from sales crosses ₹1,000 million
2012	Our Company caters to mills processing up to 12 TPH
2013	Revenue from sales crosses ₹1,550 million
2014	Investment by Multiples India and Multiples Mauritius, acquiring a stake of 49% of the Equity Share capital of the Company
	Launch of elite series products

Financial Year	Particulars
2015	Expansion of our business into parboiling and pulse processing segments
2016	Our Company launches the supply of colour sorters
2017	Our Company acquires the assets of Sunshine
	Introduction of CMR

AWARDS AND ACCREDITATIONS

The following awards have been conferred on us:

Calendar Year	Award	Conferred by
2000	Commendation Award for Best Business Exhibitor	Confederation of Indian Industry
2003	Award for participation in the Rice Tech 2003	Rice Miller Reporter Publication Group
2005	Valued Participation in the Food and Technology Expo 2005	NNS
2009	Award for Participation in the International Rice and Grain Tech	Triune Exhibitors Private Limited
2012	Award of Appreciation at the 71st International Exhibition on Rice Processing Solutions	Rice Tech Expo
	Award for Best Participation in the Rice and Dal Tech Expo 2012	Y – Axis
2013	Certificate of Appreciation at the Cambodia Rice Forum 2013	Cambodia Rice Federation
2014	Award of Appreciation	Punjab Rice Millers Association
2015	Best Presentation at the Rice and Pulses Tech Expo 2015	Yuva Raichur Rice Millers Association
	Award for Participation in the Sugar Summit Asia 2015	Tefla's
2016	Certificate of Appreciation for Contribution as a Gold Sponsor to the Cambodia Rice Forum	Cambodia Rice Federation
	Award of Appreciation at the Rice Pro-Tech Expo 2016	Business Empire Exhibitions
	Certificate of Participation in the Karnataka State Rice Millers Association Silver Jubilee Function and exhibition on Rice Milling and Technology	Raichur Rice Millers Association
	Award of Best Stall at the Karnataka State Rice Millers Association Silver Jubilee Function and exhibition on Rice Milling and Technology	Raichur Rice Millers Association
2017	Award of Honour for being an Exclusive Sponsor	All India Rice Exporters Association
	Award of Honour at the Conference cum Exhibition on Rice Milling and Technology	Chirag Agri Ventures Pvt Ltd
	Award of Honour at the Food Show India 2017	All India Rice Exporters Association
	Award of Honour for Active Participation in GrainEx, India	Adamas Events Private Limited
	Award for Participation in the IDMA 2017 Fair	IDMA
2018	Award of Honour for Exhibiting at Food Show Bihar 2018	Chirag Agri Ventures Private Limited

We have the following accreditations:

Sr. No.	Unit name	Accreditation
1.	KIADB Unit I	ISO 9001:2015
		ISO 14001: 2015

OTHER DETAILS REGARDING OUR COMPANY

For details regarding the description of our activities, the growth of our Company, services offered by our Company, market of each segment, capacity and facility creation, market capacity build – up, environmental issues, marketing, and competition, see “*Our Business*” and “*Industry Overview*” on page 155 and page 110 respectively.

For details regarding our management and its managerial competence, see “*Our Management*” on page 183.

For details regarding profits due to foreign operations, see “*Financial Statements*” on page 207.

Strikes, lock-outs, injunctions, and restraining orders

There have been no lock-outs or strikes at any time in our Company, and our Company is not operating under any injunction or restraining order.

Capital raising activities through equity and debt

Except as mentioned in “*Capital Structure*” on page 86, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see “*Financial Indebtedness*” and “*Financial Statements*” on page 383 and page 207, respectively.

Defaults or rescheduling of borrowings with financial institutions / banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions / banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

There have been no instances of significant time and cost overruns in the development or construction of any of our projects.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit / loss account of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors. For details, see “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 155 and page 363, respectively.

Interest in our Company

The Subsidiary does not have any interest in our Company’s business other than as stated in “*Our Business*” and “*Financial Statements*” on page 155 and page 207, respectively.

Our Shareholders

Our Company has nine Shareholders as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see “*Capital Structure – Shareholding Pattern of our Company*” on page 97.

Strategic or Financial Partners

Our Company does not have any strategic or financial partner.

Our Holding Company

Our Company does not have a holding company.

OUR SUBSIDIARY

Our Company has one Subsidiary. Pursuant to a share transfer effected on February 14, 2018, our Company transferred 100% of the equity shareholding held by it in its wholly-owned subsidiary, Milltec Industries and Power Solutions Private Limited to our Promoters, Rajendran Joghee and Ravindranath Ramaiah.

Unless stated otherwise, information in relation to our Subsidiary is as on the date of this Draft Red Herring Prospectus.

(a) M. S. Sorters Private Limited (“MS Sorters”)

Corporate Information

M. S. Sorters Private Limited was incorporated on May 13, 2009 as a private limited company under the Companies Act, 1956 with the corporate identity number U31100KA2009PTC049840. MOPL held 1,100,000 equity shares of MS Sorters, constituting 55% of MS Sorters' paid-up capital. By way of an order passed by the High Court of Karnataka at Bengaluru on April 8, 2014, MOPL was amalgamated into our Company. For details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*" on page 181. Accordingly, MS Sorters, on account of being a subsidiary of MOPL, was made a subsidiary of our Company. MS Sorters has its registered office at #235R, 3rd Phase, KIADB Industrial Area, Bommasandra, Bengaluru – 560 099, Karnataka, India.

The main objects of M. S. Sorters as per its charter documents, *inter alia*, include the manufacture and sale of sorting machines, and the manufacture of electronic machines such as dynamos, generators, and transformers.

Capital Structure

The authorised share capital of MS Sorters is ₹20 million divided into 2,000,000 equity shares of face value of ₹10 each, and the issued, paid-up, and subscribed share capital of MS Sorters is ₹20 million, divided into 2,000,000 equity shares of face value ₹10 each.

Shareholding

As on the date of this Draft Red Herring Prospectus, the issued and paid-up share capital of MS Sorters is as set out in the table below:

Sr. No.	Name of the shareholder	Number of equity shares (of face value of ₹10 each)	Percentage of shareholding (%)
1.	MILLTEC Machinery Limited	1,100,000	55.00
2.	Sea S R L	900,000	45.00
TOTAL		**2,000,000**	**100.00**

Financial Information

The following information has been derived from the Ind AS audited financial statements of MS Sorters for the last three financial years:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2018	**2017**	**2016**
Equity capital	20.00	20.00	20.00
Revenue from operations and other income	13.15	14.46	145.04
Profit / loss after tax	(4.86)	(24.07)	(16.38)
Reserves (excluding revaluation reserves) and surplus	(108.61)	(103.61)	(79.53)
Basic earnings per share	(2.43)	(12.04)	(8.19)
Diluted earnings per share	(2.43)	(12.04)	(8.19)
Net asset value per share	(44.24)	(41.81)	(29.77)

MS Sorters (i) is not listed on any stock exchange in India or abroad, (ii) has not been refused listing of any securities at any time, by any stock exchange in India or abroad, (iii) has not become a sick company within the meaning of SICA, and (iv) is not a part of any winding up proceedings.

(b) Significant sale / purchase between our Subsidiary and our Company

Our Subsidiary is not involved in any significant sales or purchases with our Company where such sales or purchases exceed the aggregate value of 10% of the total sales or purchases of our Company.

(c) Common pursuits

Our Subsidiary is not engaged in a line of business that is similar to our Company.

(d) Accumulated profits or losses

There are no accumulated profits or losses of our Subsidiary that are not accounted for by our Company in the Restated Consolidated Financial Information.

(e) Business interest between our Company and our Subsidiary

Our Subsidiary does not have any business interest in our Company.

(f) Associates of our Company

Our Company does not have associate companies.

(g) Joint ventures of our Company

Our Company does not have any joint ventures.

(h) Related party transactions

Other than the transactions disclosed in "*Related Party Transactions*" on page 204, there are no other related business transactions between the Subsidiary and our Company.

SUMMARY OF KEY AGREEMENTS

Unless otherwise defined or repugnant to the context thereof, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements.

(a) Share purchase agreement dated May 15, 2013 executed by and among our Company, MIPL, MOPL, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa (together, the "Continuing Shareholders"), and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani (together, the "Sellers", and such share purchase agreement, the "Milltec Share Purchase Agreement I")

The Milltec Share Purchase Agreement I was executed on May 15, 2013, by and among our Company, MIPL, MOPL, the Continuing Shareholders, and the Sellers to record the transfer of 500,000 fully paid-up equity shares held by the Sellers in MIPL, and the transfer of 1,000,000 fully paid-up equity shares held by VGN Prakash and V Ramanaiah in MOPL to our Company. Placing reliance on the representations, warranties, and indemnities provided by the Sellers, MIPL, and MOPL, as well as certain undertakings provided by the Continuing Shareholders under the Milltec Share Purchase Agreement I, our Company acquired (i) the abovementioned equity shares of MIPL for a consideration of ₹580.00 million, and (ii) the abovementioned equity shares of MOPL for a consideration of ₹15.80 million.

(b) Share purchase agreement dated May 15, 2013 executed by and among our Company, MIPL, MOPL, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa (together, the "Sellers", and such share purchase agreement, the "Milltec Share Purchase Agreement II") and the amendment agreement to the Milltec Share Purchase Agreement II dated October 11, 2014 executed by and among the Company and the Sellers ("Amendment Agreement")

The Milltec Share Purchase Agreement II was executed on May 15, 2013, by and among our Company, MIPL, MOPL, and the Sellers to record the transfer of 500,000 fully paid-up equity shares held by the Sellers in MIPL ("**MIPL Transfer Shares**"), and 1,000,000 fully paid-up equity shares held by Rajendran Joghee and Ravindranath Ramaiah in MOPL ("**MOPL Transfer Shares**"), to our Company. Placing reliance on the representations, warranties, and indemnities provided by the Sellers, MIPL, and MOPL under the Milltec Share Purchase Agreement II, our Company acquired (i) the MIPL Transfer Shares for a consideration involving payment of ₹25.00 million to the Sellers as cash consideration, and the allotment of 30,612 Equity Shares each to Rajendran Joghee and Ravindranath Ramaiah, and (ii) the MOPL Transfer Shares involving payment of ₹15.80 million to Rajendran Joghee and Ravindranath Ramaiah as cash consideration.

Subsequently, the Amendment Agreement was executed on October 11, 2014, by and among the Company and the Sellers to amend the purchase consideration for the MIPL Transfer Shares, payable under the terms of the Milltec Share Purchase Agreement II. In accordance with the terms of the Amendment Agreement, the consideration for purchase of the MIPL Transfer Shares stood revised to (i) payment of a cash consideration of ₹84.00 million to the Sellers, and (ii) the allotment of 30,612 Equity Shares each to Rajendran Joghee and Ravindranath Ramaiah.

(c) Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples Mauritius, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa (together, the "Continuing Shareholders"), and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani (together, the "Sellers", and such share purchase agreement, the "Multiples Mauritius Share Purchase Agreement")

The Multiples Mauritius Share Purchase Agreement was executed on May 15, 2013, by and among our Company, Multiples Mauritius, the Continuing Shareholders, and the Sellers, to record the transfer of 1,117,950 fully paid-up Equity Shares held by the Sellers in the Company to Multiples Mauritius ("**Milltec Transfer Shares I**"). Placing reliance on the representations, warranties, and indemnities provided by the Sellers, the Company, and the Continuing Shareholders, Multiples Mauritius acquired the Milltec Transfer Shares I for a cash consideration of ₹1,319.18 million.

(d) Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples India, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa (together, the "Continuing Shareholders") and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani (together the "Sellers", and such share purchase agreement, the "Multiples India Share Purchase Agreement")

The Multiples India Share Purchase Agreement was executed on May 15, 2013, by and among our Company, Multiples Mauritius, the Continuing Shareholders, and the Sellers, to record the transfer of 382,050 fully paid-up Equity Shares held by the Sellers in the Company to Multiples India ("**Milltec Transfer Shares II**"). Placing reliance on the representations, warranties, and indemnities provided by the Sellers, the Company, and the Continuing Shareholders, Multiples India acquired the Milltec Transfer Shares II for a cash consideration of ₹450.82 million.

(e) Shareholders' agreement dated May 15, 2013 executed by and among our Company, and Multiples Mauritius and Multiples India (together, the "Investors"), and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, and Uma Rachappa (together, the "Promoters", and such shareholders' agreement, the "Shareholders' Agreement"), the supplemental agreement to the Shareholders' Agreement dated October 15, 2014, executed by and among our Company, Multiples Mauritius, Multiples India, and the Promoters ("Supplemental Agreement"), and the amendment agreement to the Shareholders' Agreement and Supplemental Agreement dated June 27, 2018, executed by and among our Company, the Promoters, Multiples Mauritius, and Multiples India ("Amendment Agreement")

The Shareholders' Agreement was executed on May 15, 2013, by and among our Company, the Investors, and the Promoters to, *inter alia*, record the *inter-se* rights and obligations of the Investors, the Promoters, and the Company, and to set out the terms and conditions that would govern the management of our Company. In accordance with the terms of the Shareholders' Agreement, as supplemented by the Supplemental Agreement, Multiples India has the right to nominate two Directors on our Board. Further, Multiples India is permitted to appoint an observer to our Board, apart from having the right to have a Director nominated by it to be appointed to each committee constituted by our Board. The Shareholders' Agreement also identifies certain matters as reserved, each of which may be ratified only if the consent of the Investors has been obtained in writing. These matters, *inter alia*, include (i) the appointment, termination or change of the auditors of the Company, and the approval of the remuneration payable to such auditors, (ii) granting any power of attorney other than in the ordinary course of business, and (iii) changing the Registered Office, or carrying out any amendments to the Memorandum of Association or Articles of Association.

Apart from the above, in accordance with the terms of the Shareholders' Agreement, the Investors also have pre-emptive and anti-dilution rights in relation to any new securities issued by our Company, exit rights such as the right to require the Company to provide a trade sale or initiate an initial public offering, and a right of first refusal and tag-along rights in the event the Promoters propose to transfer their Equity Shares. Further, the Shareholders' Agreement stipulates the creation of an escrow mechanism wherein Rajendran Joghee and Ravindranath Ramaiah are together required to transfer such number of Equity Shares held by them, constituting 15% of our Company's paid-up capital ("**Escrow Shares**") into an escrow account. The Escrow Shares will be appropriated, *inter alia*, against any dishonoured claim for indemnity raised by the Investors against the Promoters in accordance with the terms of the Shareholders' Agreement. In terms of an escrow agreement dated November 25, 2014 executed by and among the Company, Rajendran Joghee, Ravindranath Ramaiah, Multiples India, and ICICI Bank Limited, as amended by way of an agreement dated June 27, 2018 (together, the "**Escrow Agreement**"), in the event the Equity Shares do not commence listing and trading on the Stock Exchanges on or before October 30, 2018, or such other date as mutually agreed among the parties thereof, the Escrow Shares are required to be transferred into the escrow account opened and maintained pursuant to the terms of the Escrow Agreement.

The Shareholders' Agreement may be terminated (i) at the option of a non-defaulting party, upon default by either of the parties, (ii) by mutual agreement by the parties in writing, and (iii) by the Investors in case of a material breach of the Shareholders' Agreement by the Promoters. Further, pursuant to the Amendment Agreement, the Shareholders' Agreement, together with all special rights available to the Investors, shall automatically stand terminated upon commencement of listing and trading of the Equity Shares on the Stock Exchanges. If the Offer is not completed and the Equity Shares do not commence listing and trading on the Stock Exchanges by October 30, 2018 (the "**Longstop Date**"), or such other date as agreed among the Company, the Promoters, and the Investors (the "**Extended Longstop Date**"), the Amendment Agreement will cease to exist, and the original terms of the Shareholders' Agreement and Supplemental Agreement shall prevail on the Company, the Promoters, and the Investors.

(f) Share purchase agreement dated May 28, 2018, executed by and among our Company, Ashish Kacholia and Multiples Mauritius ("Multiples Mauritius Share Purchase Agreement II")

The Multiples Mauritius Share Purchase Agreement II was executed on May 28, 2018, by and among our Company, Ashish Kacholia and Multiples Mauritius to record the transfer of 114,796 fully paid-up Equity Shares held by Multiples Mauritius to Ashish Kacholia. The abovementioned Equity Shares amounts to 3.75% of the issued and paid up share capital of our Company. Placing reliance on the representations and warranties provided by Multiples Mauritius, Ashish Kacholia acquired the abovementioned Equity Shares, from Multiples Mauritius for a consideration of ₹262.50 million. Pursuant to the terms of the Multiples Mauritius Share Purchase Agreement II Ashish Kacholia has the same rights in our Company that other shareholders have under applicable laws. Ashish Kacholia is not entitled to any special rights in our Company.

(g) Share purchase agreement dated May 28, 2018 executed by and among our Company, Bengal Finance and Investment Private Limited ("Bengal Finance"), Multiples Mauritius and Multiples India ("Multiples Share Purchase Agreement")

The Multiples Share Purchase Agreement was executed on May 28, 2018, by and among our Company, Bengal Finance and Investment Private Limited, Multiples Mauritius and Multiples India to record the transfer of 56,319 fully paid-up Equity Shares held by Multiples Mauritius, and 58,477 fully paid up Equity Shares held by Multiples India to Bengal Finance. The abovementioned Equity Shares amounts to 3.75% of the issued and paid up share capital of our Company. Placing reliance on the representations and warranties provided by Multiples Mauritius and Multiples India, Bengal Finance acquired (i) the Equity Shares for a consideration of ₹128.78 million from Multiples Mauritius, and (ii) the Equity Shares for a consideration of ₹133.72 million, from Multiples India. Pursuant to the Multiples Share Purchase Agreement, Bengal Finance has the same rights in our Company that other shareholders have under applicable laws. Bengal Finance is not entitled to any special rights in our Company.

ACQUISITION OF BUSINESS, MERGERS, AND AMALGAMATIONS

(a) Scheme of amalgamation among our Company, MIPL, and MOPL ("Scheme of Amalgamation")

By way of a resolution dated July 23, 2013, our Board approved the Scheme of Amalgamation under Section 391 to Section 394 of the Companies Act, 1956, involving an amalgamation of MIPL and MOPL with our Company. Since MIPL and MOPL were 100% subsidiaries our Company at the time of adoption of the Scheme of Amalgamation, and were involved in a line of business similar to that of our Company, the Scheme of Amalgamation contemplated that the entire undertaking of MIPL and MOPL be transferred to our Company to, *inter alia*, integrate the business synergies, minimize costs, and avoid duplication of various procedural compliances. Such transfer of undertakings of MIPL and MOPL to our Company, *inter alia*, included the transfer of all properties, rights, obligations, liabilities, and assets of MIPL and MOPL to our Company with effect from the appointed date. The petition for approval of the Scheme of Amalgamation was filed in the High Court of Karnataka at Bengaluru, and an order of approval was pronounced on April 8, 2014. Upon the Scheme of Amalgamation becoming effective, the authorized share capital of MIPL and MOPL stood transferred to the authorised share capital of our Company, increasing the authorised share capital of the Company to ₹61 million.

The appointed date for the amalgamation as identified in the Scheme of Amalgamation was April 1, 2013.

Since MIPL and MOPL were wholly-owned subsidiaries of our Company, the equity shares held by our Company in MIPL and MOPL stood cancelled and extinguished on the Scheme of Amalgamation becoming effective. The value of the assets and liabilities of MIPL and MOPL were accounted by our Company in compliance with the '*Purchase Method*' prescribed under 'Accounting Standard 14 – Accounting for Amalgamations', pursuant to the Companies (Accounting Standard) Rules, 2006, as amended.

(b) Acquisition of the assets of Sunshine by our Company

Our Company entered into an asset transfer agreement with Sunshine and S K Babu, K B Soundaravalli, and Sunshine Rice Technologies (together, the "**Confirming Parties**") on July 21, 2016 ("**Sunshine Asset Transfer Agreement**"). Pursuant to the Sunshine Asset Transfer Agreement, our Company acquired all assets pertaining to Sunshine, including the brand, domain name, inventory, knowhow, order book, fixed assets, transferred contracts, permits and licenses, and transferred customers of the business, in addition to Sunshine's goodwill ("**Sunshine Business**"). Our Company acquired the Sunshine Business for (i) a written down value of the fixed assets and the value of the inventory (subject to a maximum of ₹3 million) as per the valuation, (ii) ₹50 million payable to Sunshine for purchase of, *inter alia*, brand, copyrights, domain names, transfer of the transferred contracts, knowhow, goodwill, order book, permits and licenses.

GUARANTEES

Our Promoter has not given any guarantees on behalf of our Company to third parties.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors, and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board composed of eight Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
1.	**Rajendran Joghee** ***Designation***: Chairman and Wholetime Director ***Address***: #A-251, Prestige Ozone Varathur Road, Whitefield Bengaluru – 560 066 Karnataka, India ***Occupation***: Service ***Nationality***: Indian ***Term***: Five years commencing from April 1, 2018 ***DIN***: 02505486	52	▪ Bhojan Microfinance Private Limited; ▪ Milltec Industries and Power Solutions Private Limited; ▪ Nals Outdoors India Private Limited; and ▪ Natura Agro Fuels Private Limited.
2.	**Ravindranath Ramaiah** ***Designation***: Managing Director ***Address***: #253, Prestige Ozone Varathur Road, Whitefield Bengaluru – 560 066 Karnataka, India ***Occupation***: Service ***Nationality***: Indian ***Term***: Five years commencing from April 1, 2018 ***DIN***: 00212085	54	▪ Bhojan Microfinance Private Limited; ▪ Ecotech Machinery Private Limited; ▪ Milltec Industries and Power Solutions Private Limited; ▪ Nals Outdoors India Private Limited; and ▪ Natura Agro Fuels Private Limited.
3.	**Sridhar Sankararaman** ***Designation***: Nominee, Non-Independent and Non-Executive Director ***Address***: # F-1302, Raj Legacy LBS Marg, Vikhroli West Mumbai – 400 083 Maharashtra, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Not liable to retire by rotation ***DIN***: 06794418	37	Natco Pharma Limited.
4.	**Prakash Kulathu Iyer**	56	▪ Livpure Private Limited; and

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
	Designation: Non-Independent and Non-Executive Director ***Address***: C1902, One North Hadapsar Pune – 411 028 Maharashtra, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Liable to retire by rotation. ***DIN***: 00529591		▪ Xerox India Limited.
5.	**Prabhakar Tadepalli** ***Designation***: Non-Executive, Independent Director ***Address***: #E24, Chaithanya Smaran Whitefield Hoskote Road Kannamangala Bengaluru – 560 067 Karnataka, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Five years commencing from April 20, 2018 ***DIN***: 01429520	52	▪ Tyfone Communications Development (India) Private Limited.
6.	**Rajasekhara Reddy** ***Designation***: Non-Executive, Independent Director ***Address***: #12 and 13, 5th Main Siddivinayaka Layout Kodigehalli, Virupakshapura Bengaluru – 560 097 Karnataka, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Five years commencing from April 20, 2018 ***DIN***: 02339668	67	▪ Andhra Pradesh Urban Infrastructure Asset Management Limited; ▪ Aswa Corporate Consulting Private Limited; ▪ Centrum Capital Limited; ▪ GVPR Engineers Limited; ▪ Hetero Labs Limited; ▪ IL&FS Infra Asset Management Limited; ▪ India Factoring and Finance Solutions Private Limited; ▪ Shaasta Cement Corporation India Private Limited; and ▪ Vikram Hospital (Bengaluru) Private Limited.
7.	**Nirupama Vellore Ganapathy** ***Designation***: Non-Executive, Independent Director ***Address***: #901, 2K Cross 9th Main 1st Block	50	▪ Ad Astra Consultants Private Limited; and ▪ Ad Astra Staffing Solutions Private Limited.

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
	HRBR Layout Bengaluru – 560 043 Karnataka, India ***Occupation***: Executive ***Nationality***: Indian ***Term***: Five years commencing from April 20, 2018 ***DIN***: 01881276		
8.	**Saravanan Arumugam** ***Designation***: Non-Executive, Independent Director ***Address***: S114, Chaitanya Smaran Kannamangala Post Office Whitefield Hoskote Road Bengaluru – 560 067 Karnataka, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: Five years commencing from April 20, 2018 ***DIN***: 07773627	50	▪ EMC Software and Services India Private Limited.

Relationship between our Directors

None of our Directors are related to each other.

Brief biographies of Directors

Rajendran Joghee is the Chairman and Wholetime Director of our Company. He holds a bachelors' degree in mechanical engineering from the P S G College of Technology, Coimbatore. He has been associated with our Company since its incorporation, and has 29 years of experience. Prior to joining our Company, he was associated with Buhler India Limited, Super Machine Works, and Asian Tractors Limited.

Ravindranath Ramaiah is the Managing Director of our Company. He holds a bachelors' degree in mechanical engineering from Bangalore University. He has been associated with our Company since its incorporation, and has 27 years of experience. Prior to joining our Company, he was associated with Bhuler India Limited and Saha Keil Limited.

Sridhar Sankararaman is the Nominee, Non-Independent, and Non-Executive Director of our Company. He holds a bachelors' degree in commerce from R A Podar College of Commerce and Economics. He also holds a masters' degree in business administration from the Indian School of Business, and a masters' degree in commerce from Sydenham College, Mumbai. He has been associated with our Company since April 19, 2017 and has 16 years of experience. Prior to joining Multiples Alternate Asset Management Private Limited, and being nominated to our Board, he was associated with Sun Group Enterprises Private Limited, ICICI Bank Limited, and S R Batliboi and Co., in various capacities. He is an Associate Member of the Institute of Chartered Accountants of India. Currently, he is the managing director of Multiples Alternate Asset Management Private Limited. He has been recognised among the "*40 under 40*" by the Associate of International Wealth Management of India.

Prakash Kulathu Iyer is the Non-Independent and Non-Executive Director of our Company. He holds a bachelors' degree in science from the University of Bombay. He also holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He has been associated with our Company since March 24, 2015 and has over 20 years of experience. Prior to joining our Company, he was associated with Kimberley Clark Lever Private Limited, Infomedia India Limited, and PepsiCo Inc. Apart from his association with our Company, he also serves as an advisor to Multiples Alternate Asset Management Private Limited.

Prabhakar Tadepalli is the Non-Executive, Independent Director of our Company. He holds a bachelors' degree in mechanical engineering from the Coimbatore Institute of Technology, and a masters' degree in environmental science from the University of Texas. This apart, he also holds a masters' degree in business administration from the Booth School of Business, University of Chicago. He has been associated with our Company since July 23, 2013 and has over 23 years of experience. Prior to joining our Company, he was associated with Finatus Inc., Intel Corporation and P R C Environmental Management Inc.

Rajasekhara Reddy is the Non-Executive, Independent Director of our Company. He holds a masters' degree in science from the University of Agricultural Sciences. He is a certified associate of the Indian Institute of Bankers. He has been associated with our Company since April 20, 2018, and has over 40 years of experience. Prior to joining our Company, he was associated with the Union Bank of India, with Bank of India, and with Andhra Bank.

Nirupama Vellore Ganapathy is the Non-Executive, Independent Director of our Company. She holds a bachelors' degree in commerce from Bangalore University, and a post graduate diploma in personnel management from the National Institute of Personnel Management. She has been associated with our Company since April 20, 2018, and has over 22 years of experience. In her years of experience, she has also been part of the executive council of the Executive Recruiters Association. Prior to joining our Company, she was associated with Ma Foi Management Consultants Limited, and TeamLease Services Private Limited.

Saravanan Arumugam is the Non-Executive, Independent Director of our Company. He holds a bachelors' degree in science, and a masters' degree in computer science, both from Bharathidasan University. He has been associated with our Company since April 20, 2018, and has over 24 years of experience. He is currently associated with EMC Data Storage Systems India Private Limited. Prior to joining our Company, he was associated with Microsoft Corporation (India) Private Limited and MashreqBank.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

None of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Rajendran Joghee

Rajendran Joghee was reappointed as the Chairman and Wholetime Director of our Company pursuant to the Board resolution dated June 14, 2018, and the Shareholders' resolution dated June 15, 2018, with effect from April 1, 2018 for a term of five years. Rajendran Joghee and our Company entered into an employment agreement dated June 5, 2013 effective from April 1, 2013, which was further extended by way of an amendment agreement dated March 26, 2018 (the "**RJ Employment Agreement**"). The following are the terms governing Rajendran Joghee's appointment:

Particulars	**Remuneration**
Salary, including retirement benefits	₹19.10 million per annum with an annual increment of 5%
Perquisites	a) Full medical reimbursement for self and family; b) Car with chauffeur, maintenance, insurance and running costs on actual basis; and c) leave travel allowance equal to one month's salary every alternate year.

Ravindranath Ramaiah

Ravindranath Ramaiah was reappointed as the Wholetime Director with effect from April 1, 2018 for a term of five years and re-designated as the Managing Director of our Company pursuant to the Board resolution dated June 14, 2018, and the Shareholders' resolution dated June 15, 2018. Ravindranath Ramaiah and our Company entered into an employment agreement dated June 5, 2013 effective from April 1, 2013, which was further extended by way of an amendment agreement dated March 26, 2018 (the "**RR Employment Agreement**"). The following are the terms governing Ravindranath Ramaiah's appointment:

Particulars	Remuneration
Salary, including retirement benefits	19.10 million per annum with an annual increment of 5%
Perquisites	a) Full medical reimbursement for self and family; b) Car with chauffeur, maintenance, insurance and running costs on actual basis; and c) leave travel allowance equal to one month's salary every alternate year.

Payment or benefit to Non-Executive Directors of our Company

The sitting fees / other remuneration paid to the Non-Executive Directors in Fiscal 2018 are as follows:

Name of Director	Sitting fees (₹)	Commission (₹)
Sridhar Sankararaman	NIL	NIL
Prakash Kulathu Iyer	NIL	NIL
Prabhakar Tadepalli*	500,000	NIL
TOTAL	**500,000**	**NIL**

**₹125,000 as sitting fees for each meeting of the Board.*

No sitting fees was paid to Rajasekhara Reddy, Nirupama Vellore Ganapathy, and Sarvanan Arumugam in Fiscal 2018, since they were appointed as Non-Executive, Independent Directors in Fiscal 2019.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Sridhar Sankararaman and Prakash Kulathu Iyer, who were nominated to our Board by Multiples India, pursuant to the Multiples Shareholders' Agreement, there are no arrangements or understandings with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Rajendran Joghee	2,060,824	20.60	20.60
2.	Ravindranath Ramaiah	2,060,824	20.60	20.60

Interests of Directors

Rajendran Joghee and Ravindranath Ramaiah, who are also our Promoters, have an interest in the promotion of our Company. Further, our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

(ii) Business interest

Except as stated in "*Related Party Transactions*" on page 204, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

(iii) Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(iv) Loans to Directors

No loans have been availed by the Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

(v) Bonus or profit sharing plan for the Directors

None of the Directors are a party to any bonus or profit sharing plan of our Company.

(vi) Interest in Group Company

Further, our Directors, Rajendran and Joghee and Ravindranath Ramaiah are also interested in our Group Company, Agri Power, which is involved in activities similar to those conducted by our Company. For details, see the section "*Our Group Company*" on page 202. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflicts of interest as and when they may arise. Please see the section "*Risk Factors – 15. Our Promoters, Rajendran Joghee and Ravindranath Ramaiah, have interests in entities which are in the same line of business as that of our Company*" on page 26.

(vii) Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Executive Directors and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of appointment / change / cessation	Reason
Prakash Kulathu Iyer	March 24, 2015	Appointment as Additional Director
Prakash Kulathu Iyer	September 30, 2015	Appointment as Non-Independent and Non-executive director
Dinesh Kumar Tiwari	September 20, 2016	Resignation as Non-Executive, Non-Independent, Nominee Director
Prakash Kulathu Iyer	December 20, 2016	Change in designation to Nominee, Non-Executive, Non-Independent Director
Sridhar Sankararaman	April 19, 2017	Appointment as Non-Executive, Non-Independent, Nominee Director
Prabhakar Tadepalli	April 20, 2018	Appointment as Independent, Non-Executive Director
Rajasekhara Reddy	April 20, 2018	Appointment as Independent, Non-Executive Director
Nirupama Vellore Ganapathy	April 20, 2018	Appointment as Independent, Non-Executive Director
Saravanan Arumugam	April 20, 2018	Appointment as Independent, Non-Executive Director
Ravindranath Ramaiah	June 14, 2018	Change in Designation to Managing Director
Prakash Kulathu Iyer	June 14, 2018	Change in designation to Non-Independent and Non-executive director
Rajendran Joghee	April 1, 2018	Reappointment as Chairman and Wholetime Director
Ravindranath Ramaiah	April 1, 2018	Reappointment as Wholetime Director

Borrowing powers of Board

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to the resolution of the shareholders of our Company passed at the EGM held on January 27, 2015, our Board has been authorised to borrow sums of money with or without security, which together with the monies borrowed by our Company (apart from the temporary loans obtained, or to be obtained from our Company's bankers in the ordinary course of business) shall not exceed the amount of ₹1,000 million, at any point of time.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has eight Directors comprising of two Executive Directors, six Non-Executive Director out of which four are Non-Executive, Independent Directors, including a woman Director. Further, of the four non-Independent Directors, three are liable to retire by rotation.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) Audit Committee

The members of the Audit Committee are:

1. Rajasekhar Reddy, *Chairman*;
2. Prabhakar Tadepalli; and
3. Rajendran Joghee.

The Audit Committee was reconstituted by a meeting of the Board of Directors held on June 14, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, and its terms of reference are as following:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, reappointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

(c) Review and monitor the auditor's independence and performance and the effectiveness of audit process;

(d) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

(e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

 (i) matters required to be stated in the director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

 (ii) changes, if any, in accounting policies and practices and reasons for the same;

 (iii) major accounting entries involving estimates based on the exercise of judgment by management;

 (iv) Significant adjustments made in the financial statements arising out of audit findings;

 (v) compliance with listing and other legal requirements relating to financial statements;

 (vi) disclosure of any related party transactions; and

 (vii) qualifications and modified opinions in the draft audit report.

(f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(g) Scrutiny of inter-corporate loans and investments;

(h) Valuation of undertakings or assets of the Company, wherever it is necessary;

(i) Evaluation of internal financial controls and risk management systems on a quarterly basis;

(j) Approval or any subsequent modification of transactions of the Company with related parties;

(k) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, *etc*.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(l) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(m) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

(n) 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;

(o) Discussion with internal auditors on any significant findings and follow up thereon;

(p) 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;

(q) 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;

(r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, *etc*. of the candidate;

(t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

(u) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and

(v) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time."

(ii) Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Nirupama Vellore Ganapathy, *Chairman*;
2. Saravanan Arumugam;
3. Rajendran Joghee; and
4. Sridhar Sankararaman.

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on June 14, 2018. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

(a) Formulate the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of independent directors and the Board;

(c) Devising a policy on board diversity;

(d) Identify persons who are qualified to become directors, or who may be appointed in the senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(k) Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

(l) Perform such other activities as may be delegated by the Board and / or are statutorily prescribed under any law to be attended to by such committee.

(iii) Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Sridhar Sankararaman, *Chairman;*

2. Rajendran Joghee; and

3. Ravindranath Ramaiah.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on June 14, 2018. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference are as follows:

(a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

(b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Issue of duplicate certificates and new certificates on split / consolidation / renewal;

(d) Non-receipt of declared dividends, balance sheets of the Company, annual report or any other documents or information to be sent by the Company to its shareholders; and

(e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules, and regulations made thereunder, each as amended or other applicable law.

(iv) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Ravindranath Ramaiah, *Chairman;*

2. Nirupama Vellore Ganapathy;

3. Prakash Iyer; and

4. Rajendran Joghee.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on June 14, 2018. The terms of reference of the Corporate Social Responsibility Committee of our Company are as follows:

(a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

(b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

(e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

(v) IPO Committee

The members of the IPO Committee are:

1. Sridhar Sankararaman, *Chairman;*

2. Prakash Kulathu Iyer; and

3. Rajendran Joghee.

The IPO Committee was constituted by our Board of Directors on April 5, 2018. The terms of reference of the IPO Committee of our Company are as follows:

(a) Making applications to seeking clarifications and obtaining approvals from, where necessary, the RBI and any other governmental or statutory authorities as may be required in connection with the Offer, and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;

(b) Finalizing, settling, approving, adopting and filing in consultation with the Selling Shareholder and the Lead Manager, where applicable, the DRHP, the RHP, the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations / corrections / modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(c) Deciding jointly with the Selling Shareholder and in consultation with the Lead Manager on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and accepting any amendments, modifications, variations or alterations thereto;

(d) Taking all actions as may be necessary in connection with the Offer, including extending the Bid / Offer period, revision of the Price Band, allow revision of the Offer portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

(e) Inviting the existing shareholders of the Company to participate in the Offer, by offering for sale Equity Shares held by them at the same price as in the Offer;

(f) Appointing and entering into, and terminating arrangements with the Lead Manager, underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, escrow collection bankers to the Offer, refund bankers to the Offer, registrars, legal advisor, auditors, and any other agencies or persons or intermediaries to the Offer, and negotiating, finalising and amending the terms of their appointment, including but not limited to the execution of the mandate letter with the Lead Manager and negotiation, finalization, execution and, if required, amendment of the offer agreement with the Lead Manager;

(g) Negotiating, finalising and settling, and executing and delivering or arranging the delivery of the offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement, registrar agreement, and all other documents, deeds, agreements, and instruments as may be required or desirable in relation to the Offer;

(h) Seeking, if required, the consent of the lenders of the Company and its subsidiaries, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

(i) Opening and operating bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents / deeds as may be necessary in this regard;

(j) Opening and operating bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents / deeds as may be necessary in this regard;

(k) Authorizing and approving incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(l) Issuing receipts / allotment letters / confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more directors / officers of the Company to sign all or any of the aforementioned documents;

(m) Authorizing and issuing notices and advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(n) Withdrawing the DRHP or the RHP, or deciding not to proceed with the Offer at any stage in accordance with the SEBI ICDR Regulations;

(o) Doing all such acts, deeds, matters and things and executing all such other documents, *etc*., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters / confirmation of allotment notes, share certificates in accordance with the relevant rules;

(p) Taking all actions as may be necessary and authorized in connection with the Offer and approving and take on record the transfer of Equity Shares in the Offer;

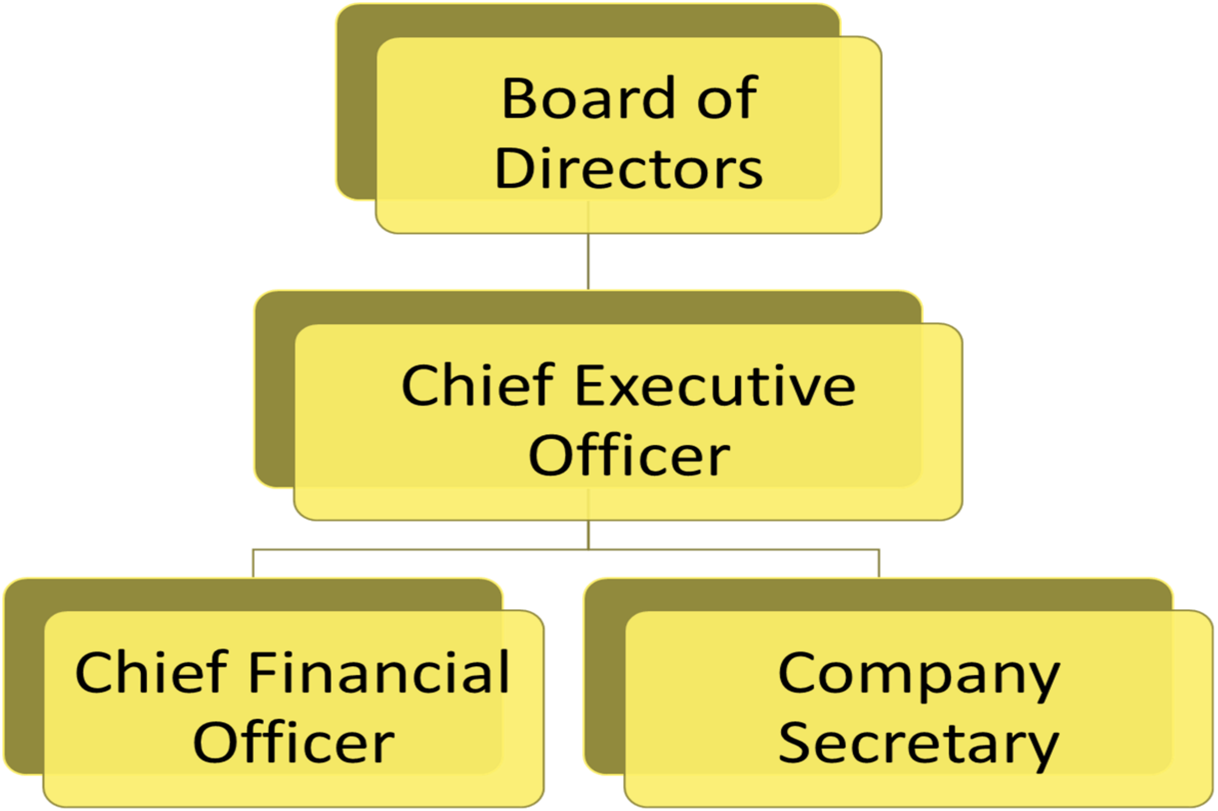
(q) Doing all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and / or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the abovementioned documents;

(r) Making applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares, and executing and delivering or arranging the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(s) Settling all questions, difficulties or doubts that may arise in connection with the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under Applicable Laws to the officials of the Company; and

(t) Negotiating, finalizing, settling, executing, and delivering any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate, or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered, or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

MANAGEMENT ORGANISATION CHART



KEY MANAGEMENT PERSONNEL

The details of the Key Management Personnel of our Company as follows:

Rajendran Joghee is the Chairman and Wholetime Director of our Company. For details see, "*Our Management – Brief Biographies of Directors*" on page 186.

Ravindranath Ramaiah is the Managing Director of our Company. For details see, "*Our Management – Brief Biographies of Directors*" on page 186.

Rajan Aggarwal is the Chief Executive Officer of our Company. He joined our Company on August 23, 2016. He holds a diploma in Mechanical Engineering from Haryana Polytechnic, Nilokheri. He also holds an advanced diploma in management, and a masters' degree in business administration from the Indira Gandhi National Open University. He has completed a leadership workshop conducted by Franklin Covey. Prior to joining our Company, he worked with Same Deutz-Fahr India Private Limited as the Head (Sales and Marketing). He has an experience of over 30 years in the agricultural machinery industry. He handles the operations, management, and strategic planning functions of our Company. His gross remuneration for Fiscal 2018 was ₹7.56 million.

Ganapathy Subramaniam is the Chief Financial Officer of our Company. He joined our Company on April 5, 2018. He holds a bachelors' degree in commerce from Madurai University. He is a certified Chartered Accountant and is a member of Institute of Chartered Accountants of India. This apart, he has also passed the qualifying examinations of the Institute of Cost and Works Accountants of India, and the Chartered Institute of Management Accountants, the United Kingdom. Prior to joining our Company, he was the chief financial officer of Janaadhar India Private Limited. He has an experience of over 35 years in the areas of finance and accounts. He oversees the finance and information technology functions of our Company. No remuneration was paid to him during Fiscal 2018, as he joined our Company in Fiscal 2019.

Kavita Manta is the Company Secretary and Compliance Officer of our Company. She joined our Company on April 5, 2018. She holds bachelors' degrees in commerce and law from the Mumbai University. She is a certified Company Secretary and is a member of the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with SAS Partners Corporate Advisors Private Limited as a senior associate. She has an experience of over seven years in the area of corporate law. She is involved in the legal, corporate compliance, and secretarial matters of our Company. No remuneration was paid to her during Fiscal 2018, as she joined our Company in Fiscal 2019.

None of our Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

(a) Shareholding of Key Management Personnel

Except for Rajendran Joghee and Ravindranath Ramaiah, none of our Key Management Personnel hold Equity Shares in our Company. For details see "*Our Management - Shareholding of Directors in our Company*" on page 187.

(b) Arrangements and understanding with major Shareholders

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

(c) Bonus or profit sharing plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

(d) Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in the Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

(e) Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Rajan Aggarwal	Chief Executive Officer	June 14, 2018	Change in designation
Rajendran Joghee	Chairman and Wholetime Director	April 1, 2018	Reappointment
Ganapathy Subramaniam	Chief Financial Officer	April 5, 2018	Appointment
Kavita Manta	Company Secretary and Compliance Officer	April 5, 2018	Appointment
Ravindranath Ramaiah	Managing Director	June 14, 2018	Change in designation

(f) Payment or Benefit to officers of our Company

No non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

EMPLOYEE STOCK OPTION

Our Company has instituted ESOP 2018 and ESAR 2018. For details, see "*Capital Structure – Employee Stock Options and Employee Stock Appreciation Rights*" on page 99.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Rajendran Joghee, Ravindranath Ramaiah, Manjula Rajendran, and Uma Rachappa. As on the date of this Draft Red Herring Prospectus, the Promoters, together hold 5,102,037 Equity Shares, representing 51.00% of the pre-Offer issued, subscribed, and paid-up capital of our Company.

For details, please see the section titled "*Capital Structure – Shareholding of our Promoters and Promoter Group*" on page 93.

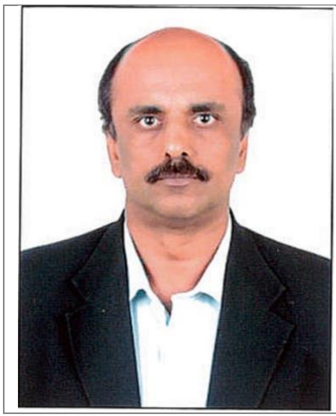
INDIVIDUAL PROMOTERS

Rajendran Joghee

Rajendran Joghee, aged 52 years, is the Chairman and Wholetime Director of our Company. He is a resident Indian national. For further details, see "*Our Management – Board of Directors*" on page 183. Other than his involvement in our Subsidiary and Group Company, he is not involved in any other ventures.

The voter identification number of Rajendran Joghee is SVF4588166 and his driving license number is KA05-19960003616.

Ravindranath Ramaiah



Ravindranath Ramaiah, aged 54 years, is the Managing Director of our Company. He is a resident Indian national. For further details, see "*Our Management – Board of Directors*" on page 183. Other than his involvement in our Subsidiary and Group Company, he is not involved in any other ventures.

The voter identification number of Ravindranath Ramaiah is SVF7105257 and his driving license number is KA05-20010003039.

Manjula Rajendran

Manjula Rajendran, aged 43 years, is a Promoter of our Company. She is a resident Indian national. She is not involved in any other ventures.

The voter identification number of Manjula Rajendran is SVF4588158 and her driving license number is KA05-20050021501.

Uma Rachappa

	Uma Rachappa, aged 43 years, is a Promoter of our Company. She is a resident Indian national. She is not involved in any other ventures. The driving license number of Uma Rachappa is 4752/2005-06. She does not have a voter identification number.

Our Company confirms that the permanent account number, bank account numbers, and passport number of Rajendran Joghee, Ravindranath Ramaiah, Manjula Joghee, and Uma Rachappa, shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

INTERESTS OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. Except for the following, our Promoters are not interested in any property acquired, or proposed to be acquired by the Company within two years of the date of filing this Draft Red Herring Prospectus, in the construction of any building by the Company, and / or in the supply of any machinery to the Company:

1. Pursuant to an employment agreement dated June 5, 2013 and amendment agreement dated March 26, 2018, Rajendran Joghee has been designated as the Chairman and Wholetime Director of our Company. For details in respect of the remuneration payable by our Company to Rajendran Joghee, see "*Our Management – Board of Directors – Terms of Appointment of Executive Directors*" on page 186.

2. Pursuant to an employment agreement dated June 5, 2013 and amendment agreement dated March 26, 2018, Ravindranath Ramaiah has been designated as a Wholetime Director and Chief Executive Officer and has been re-designated as Managing Director of our Company, respectively. For details in respect of the remuneration payable by our Company to Ravindranath Ramaiah, see "*Our Management – Board of Directors – Terms of Appointment of Executive Directors*" on page 186.

For further details see, "*Related Party Transactions*" on page 204.

Our Promoters are not directors on the board of our Subsidiary. Accordingly, they do not hold any interest to the extent of payments made by our Company, if any, to our Subsidiary. For details regarding payments made by our Company to our Subsidiary, see "*Related Party Transactions*" on page 204.

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus with SEBI, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed above, and under "*Related Party Transactions*" on page 204, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus, or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Indian Accounting Standard 24, notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Accounting Standard 18 notified pursuant to Companies (Accounting Standards) Rules 2006, as applicable, see "*Related Party Transactions*" on page 204.

Our Promoters are not related to any sundry debtors of our Company.

Further, our Promoters, Rajendran Joghee and Ravindranath Ramaiah, are also interested in our Group Company, Agri Power, which is involved in activities similar to those conducted by our Company. For details, see the section "*Our Group Company*" on page 202. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflicts of interest, as and when they may arise. Please see "*Risk Factors – 15. Our Promoters, Rajendran Joghee and Ravindranath Ramaiah, have interests in entities which are in the same line of business as that of our Company*" on page 26.

Our Promoters are not interested as members of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

PAYMENT OR BENEFITS TO PROMOTERS OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the sections "*Related Party Transactions*" on page 204 and "*Our Management*" on page 183, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

COMMON PURSUITS

Other than our Subsidiary and Group Company, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when they arise.

COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any company during the last three years preceding the date of this Draft Red Herring Prospectus.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Company was formerly promoted by Rajendran Joghee, Ravindranath Ramaiah, V Ramanaiah, VGN Prakash, Gayathri Devi, and Jyothi Rani. Pursuant to the terms of:

(i) the share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples Mauritius, Rajendran Joghee, Manjula Rajendra, Ravindranath Ramaiah, Uma Rachappa, V Ramanaiah, Gayathri Devi, VGN Prakash, and Jyothi Rani, and

(ii) the share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples India, Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, V Ramanaiah, Gayathri Devi, VGN Prakash, and Jyothi Rani,

V Ramanaiah, VGN Prakash, Gayathri Devi, and Jyothi Rani disassociated themselves as promoters of our Company.

GUARANTEES

Our Promoters have not given any guarantee to a third party as of the date of this Draft Red Herring Prospectus.

OTHER CONFIRMATIONS

Our Promoters and the relatives of our Promoters have not been declared as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI or any other government authority. Further, there are no violations of securities laws committed by our Promoters and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

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 not been in the past, promoter, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 385, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoters.

Except as disclosed in "*Our Promoters and Promoter Group – Interests of Promoters*" on page 199, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Except as disclosed in "*Related Party Transactions*" on page 204, there have been no sales or purchases between our Company and Promoter Group where such sale or purchase exceeded in value in the aggregate of 10% of the total sales or purchase of our Company.

PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

(a) Natural persons who are part of the Promoter Group

Name of the Promoter	Name of the relative	Relationship with the Promoter
Rajendran Joghee	Mani Joghee	Mother
	Sivaraman J	Brother
	Indra Balraj	Sister
	Saraswati Saanmugam	Sister
	Divya Priya Rajendran	Daughter
	Kavya Rajendran	Daughter
	Shwetha Rajendran	Daughter
Ravindranath Ramaiah	Sarojama Ramaiah	Mother
	Raghunath Ramaiah	Brother
	Sudhamani Ramaiah	Sister
	Sanjana Ravindranath	Daughter
	Rohit Ravindranath	Son
Manjula Rajendran	Raman Attuboil Mathan	Father
	Savithri Raman	Mother
	Murugesan R	Brother
	Aruna Jayaprakash	Sister
	Divya Priya Rajendran	Daughter
	Kavya Rajendran	Daughter
	Shwetha Rajendran	Daughter
Uma Rachappa	Lakshmamma Ramegowda	Mother
	Kiran Kumar Rachappa	Brother
	Veena Rachappa	Sister
	Sanjana Ravindranath	Daughter
	Rohit Ravindranath	Son

(b) Bodies corporate forming part of the Promoter Group

Companies

1. Bhojan Microfinance Private Limited;
2. Ecotech Machinery Private Limited;
3. Nals Outdoors India Private Limited;
4. Natura Agro Fuels Private Limited; and
5. Milltec Industries and Power Solutions Private Limited.

OUR GROUP COMPANY

As per the SEBI ICDR Regulations, for the purpose of identification of group companies, our Company has considered such entities covered under the applicable accounting standard, as per the Restated Consolidated Financial Information, and other entities considered material by our Board. Pursuant to a resolution of our Board dated June 14, 2018, for the purpose of disclosure in this Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, entities covered under applicable accounting standards, i.e. Accounting Standard 24 in terms of the Restated Consolidated Financial Information (with the exception of our Subsidiary), shall be considered material and disclosed as a Group Company of our Company.

For avoidance of doubt, it is clarified that the Subsidiary has not been considered as a Group Company for the purpose of disclosure in this Draft Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The details of our Group Company are provided below:

DETAILS OF OUR GROUP COMPANY

Agri Power and Engineering Solutions Private Limited ("Agri Power")

Corporate Information

Agri Power was incorporated on August 14, 2013 at Bengaluru, Karnataka, India, as a private limited company limited by shares. It has its registered office at #51 – A, KIADB Industrial Area, Phase I, Bommasandra, Bengaluru – 560 099, Karnataka, India. Agri Power is engaged in the business of manufacturing and selling excisable products such as co-generation power plants, parboilers, driers and packing machines.

Interest of our Promoters

The shareholding of our Promoters in Agri Power is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Rajendran Joghee	1,250	12.50
2.	Ravindranath Ramaiah	1,249	12.49
TOTAL		**2,499**	**24.99**

Financial Information

The following information has been derived from the audited financial statements of Agri Power for the last three Financial Years:

(₹ in *million, except per share data)*

Particulars	For the Financial Year(1)		
	2018	2017	2016
Share capital	28.53(2)	0.10	0.10
Revenue from operations	0.21	-	(54.97)
Profit / Loss after tax	(2.22)	49.60	3.89
Reserves (excluding revaluation reserves) and Surplus	7.11	54.75	5.15
Basic earnings per share	(222.07)	4,959.76	388.70
Diluted earnings per share	(8.99)	4,959.76	388.70
Net Asset Value per share	721.17	943.25	525.09

(1) The figures for Fiscal 2018 is in Ind As and Fiscals 2017 and 2016 is in IGAAP
(2) This includes 284,288 compulsory convertible preference shares of ₹100 each

NATURE AND EXTENT OF INTEREST OF GROUP COMPANY

(a) In the promotion of our Company

Our Group Company does not have any interest in the promotion, or other interests in our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with SEBI

Our Group Company is not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of this Draft Red Herring Prospectus.

(c) In transactions for acquisition of land, construction of building and supply of equipment

Our Group Company is not interested in any transactions for the acquisition of land, construction of building or supply of machinery.

BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

For more information, see "*Related Party Transactions*" on page 204.

CONFIRMATIONS WITH RESPECT TO OUR GROUP COMPANY

(a) Agri Power is engaged in activities similar to the business of our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflicts of interest as and when they may arise. Except as stated above, there are no common pursuits amongst any of our Group Companies and our Company;

(b) Our Group Company is not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company;

(c) Our Group Company does not have any business interest in our Company;

(d) Our Group Company does not remain defunct, and no application has been made to the RoC for striking off the name of our Group Company during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Our Group Company does not fall under the definition of sick companies under SICA and is not under winding up. Further, our Group Company does not have a negative net-worth;

(e) Our Group Company recorded losses in the Fiscal ended March 31, 2018;

(f) There is no litigation pending or threatened against our Group Company;

(g) Apart from the non-convertible debentures of our Group Company which are listed on BSE's wholesale trade market, none of the securities of our Group Company are listed on any stock exchange, and our Group Company has not made any public or rights issue of securities in the preceding three years;

(h) Our Group Company has not been debarred from accessing the capital market for any reasons by SEBI, or any other regulatory authorities;

(i) Our Group Company has not been identified as a wilful defaulter by any bank, financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI;

(j) Our Group Company does not have any outstanding unsecured loans, which may be recalled by the lenders at any time; and

(k) There are no group companies from which our Promoters have disassociated themselves during the last three years.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures'* under Indian GAAP, and Accounting Standard 24 '*Related Party Disclosures*' under Ind AS issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Information, see "*Financial Statements*" on page 207.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law. The dividend, if any, will depend on an array of internal factors and external factors, which, *inter alia*, include (i) the Company's annual operating plan and budget, (ii) the macroeconomic environment, (iii) the capital budget of the Company, (iv) competition, (v) quarterly and annual performance results of the Company, (vi) legislations impacting the Company's business, (vii) investments by the Company (including mergers and acquisitions), and (viii) market related risks. The dividend policy of our Company was approved and adopted by our Board in their meeting held on June 22, 2018 (the "**Dividend Policy**").

In accordance with the terms of the Dividend Policy, our Company is permitted to declare dividend (i) out of the profits for the Financial Year after providing for depreciation in accordance with law, and transferring such prescribed amounts to reserves, or otherwise considered appropriate by our Board, at its discretion, or (ii) out of the profits for the previous Financial Years, after providing for depreciation, and which have remained undistributed, or (iii) out of (i) and (ii) above. Further, our Board may, at its discretion, declare interim dividend during any Financial Year, or at any time during the period from closure of a Financial Year, till holding of the annual general meeting of the Company's shareholders out of (i) the surplus in the Company's profit and loss account, or (ii) the profits of the Financial Year for which such interim dividend is sought to be declared, or (iii) the profits generated in the Financial Year, till the quarter preceding the date of declaration of interim dividend.

Our Board will endeavour to maintain a total dividend pay-out ratio of 30% to 40% (either interim or final, when put together) of its distributable profit after tax (on a standalone basis, and after accounting for depreciation). Such dividend pay-out ratio may be amended by our Board, whenever considered appropriate by it, keeping in mind various parameters which may have a bearing on the payment of dividend. In accordance with the terms of the Dividend Policy, our Board may abstain from declaring any dividend or may declare a lower quantum of dividend in a particular Financial Year, if it proposes to utilise the retained earnings of the Company towards pursuing organic or inorganic growth opportunities, introduction of a new product or line of business, expansion of our Company's existing business and operations, issue of bonus shares or buyback of the Equity Shares, or any other purpose as the Board may deem fit, in accordance with applicable law. Our Board shall have the power to recommend final dividend to our Shareholders for their approval in a general meeting of our Company, and it shall have the absolute power to declare interim dividend during the Financial Year, as and when it considers fit. The Dividend Policy is subject to revision by our Board as and when required, at our Board's discretion.

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factors – 30. Our Company's ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition*" on page 32.

INTERIM DIVIDEND

Details of the interim dividend declared by our Company on the Equity Shares each of the Financial Years 2018, 2017, 2016, 2015, and 2014 as per the Restated Financial Information is set out in the table below:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Face value per share (in ₹)	10	10	10	10	10
Dividend (₹ in million)	39.80	NIL	NIL	33.53	NIL
Dividend per share (in ₹)	13.00	NIL	NIL	22.35	NIL
Rate of dividend (%)	130.00	NIL	NIL	224.00%	NIL
Dividend tax (%)	20.36	NIL	NIL	19.99%	NIL

FINAL DIVIDEND

Details of the final dividend declared by our Company on the Equity Shares each of the Financial Years 2018, 2017, 2016, 2015, and 2014 as per the Restated Financial Information is set out in the table below:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Face value per share (in ₹)	10	10	10	10	10
Dividend (₹ in million)	101.02	NIL	NIL	NIL	NIL
Dividend per share (in ₹)	33	NIL	NIL	NIL	NIL
Rate of dividend (%)	330	NIL	NIL	NIL	NIL
Dividend tax (%)	20.56	NIL	NIL	NIL	NIL

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

[*This page has intentionally been left blank*.]

INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
MILLTEC MACHINERY LIMITED
(Formerly known as MILLTEC MACHINERY PRIVATE LIMITED)
51/A, KIADB Industrial Area,
Bommasandra, Bengaluru – 560 099
Karnataka

Dear Sirs,

1. We have examined, as appropriate, the attached Restated Consolidated Financial Information of MILLTEC Machinery Limited (formerly known as MILLTEC Machinery Private Limited) (the "Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income) and Restated Consolidated Summary Statement of Changes in Equity for each of the years ended March 31, 2018, 2017 and 2016, the Restated Consolidated Summary Statements of Profit and Loss for the years ended March 31, 2015 and 2014 and the Restated Consolidated Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Consolidated Summary Statement of Significant Accounting Policies and related Annexures thereto (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 23, 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

    a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 23, 2018 in connection with the proposed offer for sale of equity shares of the Company;

    b) The Guidance Note; and

    c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. These Restated Consolidated Financial Information have been compiled by the Management from:

    a) Audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board at their meeting held on June 14, 2018. The comparative information for the year ended March 31, 2017 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which was approved by the Board of directors at their meeting held on September 13, 2017.

    b) Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2015, prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on September 25, 2015.

    Audited Special Purpose Consolidated Financial Statements of the Group as at and for the year ended March 31, 2014, prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on June 23, 2018. These Special Purpose Consolidated Financial Statements for the year ended March 31, 2014, have been prepared based on the standalone audited financial statements of the Company and its subsidiary for the year ended March 31, 2014 on which we reported on October 17, 2014, and do not reflect the effects of events that occurred subsequent to October 17, 2014.

The Restated Consolidated Financial Information also contains the proforma consolidated Ind AS financial statements as at and for the year ended March 31, 2016. These proforma consolidated Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 which have been approved by the Board of Directors at their meetings held on June 24, 2016 as described in Note 2.2 of Annexure 6 to the Restated Consolidated Financial Information.

We did not audit the financial statements of a subsidiary as at and for the years ended March 31, 2018, 2017, 2016 and 2015 (details furnished in Appendix I) as considered in the Restated

Consolidated Financial Information. These financial statements have been audited by other auditors, whose reports have been furnished to us, and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such other auditors.

5. The audit reports on the consolidated financial statements issued by us included following other matter:

As at and for the year ended March 31, 2018

Material uncertainty related to Going Concern

We draw attention to Note 32.3 in the consolidated Ind AS financial statements, which indicates that M.S. Sorters Private Limited, a subsidiary of the Company, has incurred a net loss of Rs.4.86 Million during the year ended March 31, 2018 and, as of that date, the subsidiary's current liabilities exceeded its current assets by Rs 54.80 Million. These conditions, along with other matters as set forth in Note 32.3, indicate that a material uncertainty exists that may cast significant doubt on the subsidiary's ability to continue as a going concern. However, the subsidiary's Ind AS financial statements have been prepared on a going concern basis for the reasons stated in the said Note.

As at and for the year ended March 31, 2017

We draw attention to Note 38 to the consolidated financial statements which indicates that one of the subsidiaries has incurred a net loss of Rs 24.07 million during the year ended March 31, 2017 and, as of that date, the subsidiary's current liabilities exceeded its current assets by Rs 40.71 million. These conditions, along with other matters as set forth in Note 38, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The subsidiary's ability to continue as a Going Concern is dependent on a favourable outcome of the ongoing discussions between with the subsidiary's shareholders mentioned in the said note.

6. The audit report on the consolidated financial statements included following matters under 'Report on Other Legal and Regulatory Requirements' section of the audit report:

As at and for the year ended March 31, 2018

On the basis of a legal opinion received by the Company in respect of a director as noted in Note 38B of the consolidated Ind AS financial statements and the written representations received from the directors of the Parent as on March 31, 2018 both taken on record by the Board of Directors of the Parent and the report of the statutory auditors of a subsidiary company incorporated in India, none of the directors of the Group is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

As at and for the year ended March 31, 2017

As stated in Note 39 to the consolidated financial statements, one of the subsidiary companies in the Group has not received the requisite declarations from two of its directors as on March 31, 2017, confirming that they are not disqualified from being appointed as directors in terms of section 164(2) of the Act. In the absence of the declarations, the auditors of the subsidiary company have expressed their inability to comment on whether these directors are disqualified from being appointed as directors of the subsidiary company as at March 31, 2017 under section 164(2) of the Act.

On the basis of representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of section 164(2) of the Act, other than to the extent stated above.

7. Based on our examination according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the other auditors, in respect of their examination of the Restated Financial Information of certain subsidiaries for the respective years, we report that the Restated Consolidated Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial year ended March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications as at and for the year ended March 31, 2018;

   b. have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 as described in Note 2.1 of Annexure 6 to the Restated Consolidated Financial Information;

   c. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial year ended March 31, 2014 to reflect the same accounting treatment as per the accounting policies and grouping/classifications as at and for the year ended March 31, 2015;

   d. have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   e. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments; and

   f. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of our reports mentioned in paragraph 4 above on the audited consolidated financial statements.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)

Place: Bengaluru
Date: June 29, 2018

APPENDIX I

Total assets, total revenues, and net cash flows pertaining to certain subsidiaries for the years ended March 31, 2018, 2017, 2016 and 2015 audited by other auditors is tabulated below:

(₹ in million)

Particulars	**As at/ For the year ended March 31, 2018**		**As at/ For the year ended March 31, 2017**		**As at/ For the year ended March 31, 2016**		**As at/ For the year ended March 31, 2015**		**As at/ For the year ended March 31, 2014**	
	Gross of Elimination	**Net of Elimination**	**Gross of Elimination**	**Net of Elimination**	**Gross of Elimination**	**Net of Elimination**	**Gross of Elimination**	**Net of Elimination**	**Gross of Elimination**	**Net of Elimination**
Number of subsidiaries:	Nil	Nil	1	1	1	1	1	1	Nil	Nil
Total Assets	Nil	Nil	0.05	0.05	0.06	0.06	15.62	15.43	Nil	Nil
Total Revenues	Nil	Nil	Nil	Nil	Nil	Nil	26.00	26.00	Nil	Nil
Net Cash Inflows / (Outflows)	Nil	Nil	(0.01)	(0.01)	(0.04)	(0.04)	8.67	8.67	Nil	Nil

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 1 - Restated Consolidated Summary Statement of Assets and Liabilities

Particulars	Annexure No.	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	7	306.40	328.75	357.31
(b) Capital work-in-progress		5.76	-	2.07
(c) Investment property	9	0.24	0.24	0.24
(d) Intangible assets - Goodwill	8A	17.97	17.97	-
(e) Other Intangible assets	8B	29.67	37.73	10.12
(f) Financial Assets				
(i) Other investments	10	1.24	1.24	1.24
(ii) Other financial assets	11	21.98	4.10	5.49
(g) Deferred tax assets (net)	12	36.13	37.41	34.31
(h) Other non-current assets	13	171.64	72.77	58.35
Total Non - Current Assets		**591.03**	**500.21**	**469.13**
Current assets				
(a) Inventories	14	341.81	325.34	312.49
(b) Financial assets				
(i) Other investments	10	357.51	255.26	35.80
(ii) Trade receivables	15	606.81	468.40	403.63
(iii) Cash and bank balances	16	48.58	90.00	138.02
(iv) Other financial assets	11	20.86	12.63	12.02
(c) Other current assets	13	28.99	18.21	27.06
Total current assets		**1,404.56**	**1,169.84**	**929.02**
Total assets		**1,995.59**	**1,670.05**	**1,398.15**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	17	30.61	30.61	30.61
(b) Other equity	18	1,033.32	786.54	590.88
Equity attributable to the owners of the company		**1,063.93**	**817.15**	**621.49**
Non Controlling interest		(39.81)	(37.62)	(26.79)
Total Equity		**1,024.12**	**779.53**	**594.70**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	9.47	11.47	119.88
(ii) Other financial liabilities	23	0.19	0.19	0.19
(b) Provisions	20	23.05	18.27	12.14
(c) Other non-current liabilities	21	-	4.49	5.13
Total Non - Current Liabilities		**32.71**	**34.42**	**137.34**
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	22	640.30	543.56	415.26
(ii) Other financial liabilities	23	25.39	116.78	126.87
(b) Provisions	20	93.15	85.41	60.57
(c) Other current liabilities	21	179.92	110.35	63.41
Total Current Liabilities		**938.76**	**856.10**	**666.11**
Total Liabilities		**971.47**	**890.52**	**803.45**
Total Equity and Liabilities		**1,995.59**	**1,670.05**	**1,398.15**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner
Membership No. 206920

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer
Place: Bengaluru
Date: June 23, 2018

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 29, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 2 -Restated Consolidated Summary of Statement of Profit and Loss

Particulars	Annexure No	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Revenue from Operations	24	2,661.39	2,208.77	1,844.68
Other Income	25	31.75	22.67	17.67
Total Income		**2,693.14**	**2,231.44**	**1,862.35**
Expenses				
Cost of materials consumed	26	1,492.20	1,289.62	1,057.13
Changes in inventories of work-in-progress, semi-finished goods and finished goods	27	(21.48)	(46.93)	(55.34)
Employee benefits expense	28	266.03	241.86	218.07
Finance costs	29	2.10	19.69	36.34
Depreciation and amortisation expense	30	47.87	45.12	40.73
Other expenses	31	456.14	392.65	322.02
Total expenses		**2,242.86**	**1,942.01**	**1,618.95**
Restated profit before tax		**450.28**	**289.43**	**243.40**
Tax expense				
(1) Current tax	32	159.02	107.80	101.00
(2) Deferred tax	32	0.41	(3.20)	(31.62)
		159.43	104.60	69.38
Restated profit for the year		**290.85**	**184.83**	**174.02**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(a) Gain / (loss) on remeasurements of defined benefit plans		2.52	0.10	6.12
(b) Tax on remeasurements of the defined benefit plan		(0.87)	(0.10)	(2.00)
Restated total other comprehensive income		**1.65**	**-**	**4.12**
Restated total comprehensive income for the year		**292.50**	**184.83**	**178.14**
Restated profit for the year attributable to:				
- Owners of the company		293.04	195.57	181.54
- Non-Controlling interest		(2.19)	(10.74)	(7.52)
Other Comprehensive Income attributable to:				
- Owners of the company		1.65	0.09	3.97
- Non-Controlling interest		-	(0.09)	0.15
Restated total comprehensive income for the year attributable to:				
- Owners of the company		294.69	195.66	185.51
- Non-Controlling interest		(2.19)	(10.83)	(7.37)
		292.50	**184.83**	**178.14**
Earnings per equity share (par value of Rs 10 each)				
- Basic (in Rs.)	37 and 40	**95.73**	**63.89**	**59.30**
- Diluted (in Rs.)	37 and 40	**95.73**	**63.89**	**59.30**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner
Membership No. 206920

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 29, 2018

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 3 - Restated Consolidated Summary of Statement of Cash Flows

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016 (Proforma)	
A. Cash flows from operating activities						
Restated Profit before tax		**450.28**		**289.43**		**243.40**
Adjustments for:						
Depreciation and amortisation expenses		47.87		45.12		40.73
(Gain) / Loss on disposal of property, plant and equipment		(0.09)		-		-
Finance costs		2.1		19.69		36.34
Allowance for bad, doubtful trade receivable and statutory forms receivable		3.89		26.30		2.32
Provision no longer required written back		(10.10)		-		-
Dividend Income		(8.75)		(8.96)		(1.23)
Interest Income		(3.52)		(5.91)		(7.78)
Gain on disposal of subsidiary		(0.09)		-		-
Rental Income		-		-		(0.23)
Government grant income		(4.49)		(0.64)		-
Net unrealized foreign exchange (gain) / loss		11.84		3.19		8.66
Cash flows from operating activities before working capital changes		**488.94**		**368.22**		**322.21**
Adjustments for working capital changes						
Adjustments for (increase)/ decrease in operating assets						
Trade Receivables	(143.99)		(81.65)		(128.51)	
Inventories	(16.47)		(11.38)		(42.55)	
Other assets	(107.58)		(7.91)		(1.06)	
Adjustments for Increase /(decrease) in operating liabilities						
Trade Payables	88.89		121.24		114.35	
Other liabilities	69.09		44.21		11.10	
Provisions	12.30		10.26		2.69	
		(97.76)		**74.77**		**(43.98)**
Cash flows from operating activities		**391.18**		**442.99**		**278.23**
Direct taxes paid (net of refunds)		(156.13)		(90.67)		(63.01)
Net cash flows generated from operating activities (A)		**235.05**		**352.32**		**215.22**
B. Cash flows generated / (used-in) from investing activities						
Payments made on purchase of Property, Plant and Equipment, Capital work-in-progress and Intangibles assets	(35.36)		(9.03)		(40.04)	
Gain on disposal of Property, Plant and Equipment	0.09		-		-	
Gain on disposal of subsidiary	0.09		-		-	
Proceeds from sale of Investment made in other than subsidiaries	662.50		591.00		155.61	
Investment made in other than subsidiaries	(764.75)		(810.46)		(166.11)	
Cash outflow on account of acquisition of business	(22.48)		(30.03)		-	
(Increase) / Decrease in bank balances not considered as cash and cash equivalents	(5.86)		60.71		(65.47)	
Dividend income received	8.75		8.96		1.23	
Rent received	-		0.04		0.19	
Interest income received	3.47		7.12		6.80	
Net Cash flows (used-in) investing activities (B)		**(153.55)**		**(181.69)**		**(107.79)**
C. Cash flows generated / (used-in) from Financing activities						
Proceeds from long-term borrowings	-		-		7.50	
Repayment of long-term borrowings	(61.91)		(137.00)		(81.85)	
Interest paid	(2.82)		(20.94)		(36.40)	
Dividend paid including dividend tax paid	(47.91)		-		-	
Net Cash flows (used-in) financing activities (C)		**(112.64)**		**(157.94)**		**(110.75)**
Net increase in cash and cash equivalents (A+B+C)		(31.14)		12.69		(3.32)
Cash and cash equivalents at the beginning of the year		45.63		32.94		36.26
Cash and cash equivalents at the end of the year		**14.49**		**45.63**		**32.94**
Reconciliation of Cash and cash equivalents as defined in Ind AS 7						
Cash and bank balances		48.58		90.00		138.02
Less: Bank balance not considered as Cash and cash equivalents as defined in Ind AS 7 Cash flow statement						
1) in earmarked accounts						
- Balance held as margin money against guarantees		34.09		44.37		105.08
Net Cash and cash equivalents		**14.49**		**45.63**		**32.94**
Cash and cash equivalents at the end of the year		**14.49**		**45.63**		**32.94**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 3 - Restated Consolidated Summary of Statement of Cash Flows

Reconciliation of liabilities from financing activities:

Particulars	**As at March 31, 2017**	**Proceeds**	**Repayment**	**As at March 31, 2018**
Long-term borrowings (including current maturities of long-term debt)	73.31	-	(61.91)	11.40
Total liabilities from financing activities	**73.31**	**-**	**(61.91)**	**11.40**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner
Membership No. 206920

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 29, 2018

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 4: Summary Statement of Material Adjustments to Audited Consolidated Financial Statements

Particulars	Annexure	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Total comprehensive income for the year [Refer Annexure 38] (A)	**A2**	**292.50**	**184.83**	**178.14**
Restatement adjustments		**-**	**-**	**-**
Total effect of adjustments (B)		**-**	**-**	**-**
Net effect of increase in profit/ (loss) on adjustments after tax (C) = (A - B)		**-**	**-**	**-**
Net Profit for the year as restated (D) = (A + C)		**292.50**	**184.83**	**178.14**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 5 - Restated Consolidated Summary Statement of Changes in Equity

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2015 (Proforma)	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2016 (Proforma)	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2017	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2018	**30.61**

b. Other Equity

Particulars	Securities premium (A)	Capital Reserves (B)	Surplus in Statement of Profit and Loss (C)	Attributable to owners of the Company (D) = (A)+(B)+(C)	Non- Controlling interest (E)
Balance as at April 1, 2015 (Proforma)	33.29	8.30	363.78	405.37	(19.42)
Add:					
Profit for the year	-	-	181.54	181.54	(7.52)
Less:					
Gain / (loss) Remeasurement of defined benefit obligation (net of tax)	-	-	3.97	3.97	0.15
Balance as at March 31, 2016 (Proforma)	**33.29**	**8.30**	**549.29**	**590.88**	**(26.79)**
Balance as at April 1, 2016	33.29	8.30	549.29	590.88	(26.79)
Add:					
Profit for the year	-	-	195.57	195.57	(10.74)
Less:					
Remeasurements of the defined benefit Plans - Gains / (losses) (net of tax)	-	-	0.09	0.09	(0.09)
Balance as at March 31, 2017	**33.29**	**8.30**	**744.95**	**786.54**	**(37.62)**
Balance as at April 1, 2017	33.29	8.30	744.95	786.54	(37.62)
Add:					
Profit for the year	-	-	293.04	293.04	(2.19)
Less:					
Dividend and tax there on	-	-	(47.91)	(47.91)	-
Remeasurements of the defined benefit Plans - Gains / (losses) (net of tax)	-	-	1.65	1.65	-
Balance as at March 31, 2018	**33.29**	**8.30**	**991.73**	**1,033.32**	**(39.81)**

Annexure 6 - Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

1 CORPORATE INFORMATION

MILLTEC Machinery Limited (formerly known as MILLTEC Machinery Private Limited) ("the Company"), incorporated in 1998, is a manufacturer of machinery for rice, maize and pulse processing. The Company supplies equipment to the grain milling industries and has an established presence across the value chain from cleaning, de-husking and polishing to grading. Apart from this, the Company also provides turnkey solutions and after sales services. The Company has manufacturing facilities in Bengaluru and Chennai. The Company has operations geographically spread across India and outside India. The Company and its subsidiaries constitute "the Group".

The Company changed its name from MILLTEC Machinery Private Limited to MILLTEC Machinery Limited on March 21, 2018.
The Restated Consolidated Ind AS Financial Information have been authorised for issuance by the Company's Board of Directors on June 23, 2018.

2 BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The Restated Consolidated Summary Statement of Assets and Liabilities of MILLTEC Machinery Limited (the "Company/ Parent") and its subsidiaries (together known as the "Group") as at March 31, 2018, 2017 and 2016 and the related Restated Consolidated Summary Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flow for the years ended March 31, 2018, 2017 and 2016 (hereinafter collectively referred to as "Restated Consolidated Financial Information") have been prepared as follows:

a) The financial information as at and for the year ended March 31, 2018 and March 31, 2017 have been prepared on the basis of the audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board of Directors of the Parent at their meeting held on June 14, 2018. The comparative information for the year ended March 31, 2017 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which was approved by the Board of Directors of the Parent at their meeting held on September 13, 2017.
b) The proforma financial information as at and for the year ended March 31, 2016 has been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 which were approved by the Board of Directors of the Parent at their meeting held on June 24, 2016.

These Restated Consolidated Financial Information have been prepared by the management solely for the purposes of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares, in accordance with the requirement of:
a) Section 26 of the Companies Act, 2013;
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI regulations"); and
c) Guidance note on reports in company prospectuses issued by The Institute of Chartered Accountants of India ('ICAI').
For all the periods up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 ("Indian GAAP" or "Previous GAAP"). The date of transition to Ind AS is April 1, 2016. As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the FY 2015-16 and accordingly, suitable restatement adjustments in the accounting heads have been made in the proforma financial information.
The Restated Consolidated Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions upto two decimals, expect where otherwise indicated.

First-time adoption of Ind AS

Overall Principle:
The Group has prepared the Restated Consolidated Summary Statement of Assets and Liabilities as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets:
The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease:
The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Derecognition of Financial Assets and Liabilities:
The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

(Amount in Rupees Millions except shares data or otherwise stated)

Impairment of financial assets:

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.1.1 Basis of consolidation

The consolidated financial statements relate to MILLTEC Machinery Limited (formerly known as MILLTEC Machinery Private Limited) and its subsidiaries. These consolidated financial statements have been prepared on the following basis:

The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders is initially measured at fair value. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:
(i) the aggregate of the fair value of consideration received and the fair value of any retained interest and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.
Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off.

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Country of Incorporation	% of ownership held by the Company as at		
		As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
M S Sorters Private Limited (MSPL)	India	55%	55%	55%
Milltec Industries and Power Solutions Private Limited (till February 7, 2018)	India	-	100%	-

2.2 Summary of significant accounting policies

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services and commission income are recognized when services are rendered and related costs are incurred.
Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is accounted for when the right to receive payment has been established.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss.

Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and any other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the Written Down Value (WDV) method as per useful life provided in Schedule II of the Companies Act 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed by the Management:

Electrical Installations	15 Years
Office Equipments	15 Years
R&D Equipments	6 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

Intangible assets

Acquired Intangible Assets **-** Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	**Useful life**
Computer Software	Lower of license period or 5 years
Copyrights, patents and other intellectual property rights, services and operating rights	5 Years
Knowhow	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of these dates.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores & spares are valued at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Instruments

Financial assets and financial liabilities:

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:

Financial assets at amortised cost-

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income-

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss-

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

Impairment of financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Derecognition of financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

Share issue expense
The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Foreign Currency transactions and translations
The functional currency of the Group is Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Employee Benefits

Defined Contribution Plan
The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

In respect of a subsidiary, the liability towards gratuity is unfunded.

Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Borrowing Costs
Borrowing costs include:
(i) interest expense calculated using the effective interest rate method,
(ii) finance charges in respect of finance leases, and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Income Taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year
Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions and Contingent Liabilities
A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

Earnings per share

Basic earnings per share are computed by dividing profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

3 Use of estimates and judgements

3.1 Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of Property Plant and Equipment and Intangible Assets

The Group reviews its carrying value of investments in subsidiaries, Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Provision for expected credit loss

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity’s contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after 1 April 2018. The Group is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3.2 Critical judgements

3.2.1 Control over Agri Power and Engineering Solutions Private Limited ("APES")

The Company has majority voting rights [with 51% equity shareholding (100% shareholding upto November 2015] in Agri Power and Engineering Solutions Private Limited ("APES"). The other shareholder of APES has entered into an ‘Option Agreement’ (“the Agreement”) with the Company and APES during the financial year 2014-15 and in terms of the said Agreement, the other shareholder or its nominee, at any time during the period of ten years from November 26, 2014 to November 25, 2024, can acquire upto 75.01% of shares of APES held by the Company at a price equal to the face value of such shares and / or subscribe for the new shares to be issued by APES at a price that will be determined by APES at the time of such issue. Hence, in terms of this Agreement, the other shareholder has ability to direct the relevant activities of APES and also, the Company is obliged to sell the equity shares of APES to the other shareholder at any time the other shareholder intends to buy such shares. Accordingly, the Management has assessed that the Company doesn't ‘control’ APES and hence APES is not considered to be subsidiary of the Company under Ind AS.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 7 - Restated Consolidated Summary Statement of Property, Plant and Equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carrying amounts of:			
Freehold land	125.09	125.09	125.09
Buildings	71.38	78.39	86.37
Plant and equipment	73.71	83.59	95.67
Electrical equipments	1.36	1.66	2.03
Tools and Patterns	14.87	15.43	16.20
Furniture and fixtures	2.90	2.44	2.68
Office equipment	3.60	3.83	4.15
Vehicles	8.48	12.34	17.95
Computers	3.06	2.74	2.80
R & D equipments	1.95	3.24	4.37
	306.40	**328.75**	**357.31**

Particulars	Property, Plant and Equipment										
	Land	Building	Plant and machinery	Electrical equipments	Tools and Patterns	Furniture and fixtures	Office equipment	Vehicles	Computers	R & D equipments	Total
Cost as at 1 April 2015	**125.09**	**140.54**	**134.41**	**3.96**	**29.21**	**8.67**	**6.96**	**7.71**	**16.56**	**7.34**	**480.45**
Additions	-	2.63	22.55	0.70	2.84	0.32	0.60	18.14	1.36	1.58	**50.72**
Disposals	-	-	-	-	-	-	-	-	-	-	**-**
Gross block as at 31 March 2016	125.09	143.17	156.96	4.66	32.05	8.99	7.56	25.85	17.92	8.92	**531.17**
DEPRECIATION											
Opening accumulated depreciation	-	47.83	41.44	2.23	12.69	5.40	2.52	7.62	12.97	2.33	**135.03**
Depreciation expense for the year	-	8.97	19.85	0.40	3.16	0.91	0.89	0.28	2.15	2.22	**38.83**
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation as at 31 March 2016	-	56.80	61.29	2.63	15.85	6.31	3.41	7.90	15.12	4.55	**173.86**
Carrying amount as at 31 March 2016	**125.09**	**86.37**	**95.67**	**2.03**	**16.20**	**2.68**	**4.15**	**17.95**	**2.80**	**4.37**	**357.31**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 7 - Restated Consolidated Summary Statement of Property, Plant and Equipment

Particulars	Property, Plant and Equipment										
	Land	Building	Plant and machinery	Electrical equipments	Tools and Patterns	Furniture and fixtures	Office equipment	Vehicles	Computers	R & D equipments	Total
Deemed cost as at 1 April 2016	**125.09**	**86.37**	**95.67**	**2.03**	**16.20**	**2.68**	**4.15**	**17.95**	**2.80**	**4.37**	**357.31**
Additions	-	0.24	5.50	-	2.37	0.49	0.46	-	2.15	0.69	**11.90**
Disposals	-	-	-	-	-	-	-	-	-	-	**-**
Cost as at 31 March 2017	125.09	86.61	101.17	2.03	18.57	3.17	4.61	17.95	4.95	5.06	**369.21**
DEPRECIATION											
Depreciation expense for the year	-	8.22	17.58	0.37	3.14	0.73	0.78	5.61	2.21	1.82	**40.46**
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation as at 31 March 2017	-	8.22	17.58	0.37	3.14	0.73	0.78	5.61	2.21	1.82	**40.46**
Carrying amount as at 31 March 2017	**125.09**	**78.39**	**83.59**	**1.66**	**15.43**	**2.44**	**3.83**	**12.34**	**2.74**	**3.24**	328.75
Cost as at 1 April 2017	**125.09**	**86.61**	**101.17**	**2.03**	**18.57**	**3.17**	**4.61**	**17.95**	**4.95**	**5.06**	**369.21**
Additions	-	0.47	9.43	-	2.40	1.35	0.51	-	2.22	-	**16.38**
Disposals	-	-	(0.07)	-	-	-	-	-	-	-	**(0.07)**
Cost as at 31 March 2018	125.09	87.08	110.53	2.03	20.97	4.52	5.12	17.95	7.17	5.06	**385.52**
DEPRECIATION											
Opening accumulated depreciation	-	8.22	17.58	0.37	3.14	0.73	0.78	5.61	2.21	1.82	**40.46**
Depreciation expense for the year	-	7.48	19.28	0.30	2.96	0.89	0.74	3.86	1.90	1.29	**38.70**
Eliminated on disposal of assets	-	-	(0.04)	-	-	-	-	-	-	-	**(0.04)**
Accumulated depreciation as at31 March 2018	-	15.70	36.82	0.67	6.10	1.62	1.52	9.47	4.11	3.11	**79.12**
Carrying amount as at 31 March 2018	**125.09**	**71.38**	**73.71**	**1.36**	**14.87**	**2.90**	**3.60**	**8.48**	**3.06**	**1.95**	**306.40**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 8A- Restated Consolidated Summary of Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Goodwill	17.97	17.97	-
	17.97	**17.97**	**-**

Particulars	Goodwill
Cost as at 1 April 2015 (refer Note-1 below)	**-**
Additions	-
Disposals	-
Cost as at 31 March 2016	-
Amortisation	
Opening Accumulated impairment	-
Impairment expense for the year	-
Eliminated on disposal of assets	-
Accumulated impairment as at 31 March 2016	-
Carrying amount as at 31 March 2016 (Proforma)	**-**
Deemed cost as at 1 April, 2016 (refer Note-1 below)	**-**
Add: Recognised on business combination during the year (refer Note-2 below)	17.97
Cost as at 31 March 2017	17.97
Impairment	
Accumulated Impairment	-
Accumulated impairment as at 31 March 2017	-
Carrying amount as at 31 March 2017	**17.97**
Cost as at 1 April 2017	**17.97**
Additions	-
Disposals	-
Cost as at 31 March 2018	17.97
Amortisation	
Opening Accumulated impairment	-
Impairment expense for the year	-
Accumulated impairment as at 31 March 2018	-
Carrying amount as at 31 March 2018	**17.97**

Note-1: The Group received the approval of the Hon'ble High court of Judicature for a Scheme of amalgamation in earlier years. Pursuant to such Scheme, Goodwill arising on the merger of the Company's subsidiaries amounting to Rs. 385.57 Million has been written off to the Reserves during the year ended March 31, 2014, in line with the court approved Scheme.

Note-2: The goodwill has been allocated to the group as a whole which is considered as the only cash generating unit. As at the end of reporting period no impairment has been identified by the Management. The Management believes that any reasonable change in the key assumptions on which recoverable amount is determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The recoverable amount of this cash generating unit has been determined based on a value in use approach by considering cash flow projections approved by the Management. The discount rate considered for arriving the said recoverable amount are as below:

Inputs considered	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Discount rate	18.37%	18.37%	NA

Business combination
In order to expand the business of manufacturing rice milling equipments, the group has acquired "Sunshine" on December 31, 2016. The consideration paid for the said acquisition is Rs. 52.51 Millions. The details of the same are as below:

Name of the entity	Principal Activity	Date of Acquisition
Sunshine (proprietary concern)	Manufacture of rice / pulse milling equipments	31-Dec-16

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 8A- Restated Consolidated Summary of Goodwill (continued)

Assets acquired at the date of acquisition

Particulars	Amount	Amount
Particulars of assets and liabilities as on December 31, 2016		
Property, Plant and equipment	1.06	
Know how (Intangible asset)	32.01	
Inventory	1.47	
Total assets		34.54
Non-current liabilities	-	
Current liabilities	-	
Total liabilities		-
Fair value of Net assets acquired		**34.54**

Goodwill arising on business combination

Particulars	Amount in Million
Consideration transferred (In cash)	52.51
Less: Fair value of identifiable net assets acquired (as above)	34.54
Goodwill arising on acquisition	**17.97**

Net cash outflow on acquisition

Particulars	Amount
Consideration paid in cash	52.51
Less: Cash and cash equivalent balances acquired	-
Outflow/(Inflow)	**52.51**

Impact on acquisition of Sunshine

The profit before tax for the year ended March 31, 2017 is after offsetting the loss of Rs. 4.07 Million attributable to the business of Sunshine and Revenue for the year ended March 31, 2017 includes Rs. 2.41 Million in respect to Sunshine business.

Had this acquisition occurred on April 1, 2016, the profit before tax for the year would have been further impacted by loss of Rs. 12.21 Million and revenue for the year ended March 31, 2017, would have increased by Rs. 7.23 Million.

Annexure 8B- Restated Consolidated Summary Statement of Other Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carrying amounts of :			
Computer Software	5.63	7.31	10.12
Knowhow	24.04	30.42	-
	29.67	**37.73**	**10.12**

Particulars	Other Intangible Assets			
	Computer software	**Copyrights, patents and other intellectual property rights, services and other operating rights**	**Knowhow**	**Total of Other Intangible Assets**
Cost as at 1 April 2015	**9.21**	**2.02**	**-**	**11.23**
Additions	4.34	-	-	**4.34**
Disposals	-	-	-	**-**
Cost as at 31 March 2016	13.55	2.02	-	**15.57**
AMORTISATION				
Opening accumulated amortisation	1.53	2.02	-	**3.55**
Amortisation expense for the year	1.90	-	-	**1.90**
Eliminated on disposal of assets	-	-	-	**-**
Accumulated amortisation as at 31 March 2016	3.43	2.02	-	**5.45**
Carrying amount as at 31 March 2016 (Proforma)	**10.12**	**-**	**-**	**10.12**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 8B- Restated Consolidated Summary Statement of Other Intangible Assets (continued)

Particulars	Other Intangible Assets		
	Computer software	**Knowhow**	**Total of Other Intangible Assets**
Deemed cost as at 1 April 2016	**10.12**	**-**	**10.12**
Additions	0.26	32.01	**32.27**
Disposals	-	-	**-**
Cost as at 31 March 2017	10.38	32.01	**42.39**
AMORTISATION			
Amortisation expense for the year	3.07	1.59	**4.66**
Eliminated on disposal of assets	-	-	**-**
Accumulated amortisation as at 31 March 2017	3.07	1.59	**4.66**
Carrying amount as at 31 March 2017	**7.31**	**30.42**	**37.73**
Cost as at 1 April 2017	**10.38**	**32.01**	**42.39**
Additions	1.11	-	**1.11**
Disposals	-	-	**-**
Cost as at 31 March 2018	11.49	32.01	**43.50**
AMORTISATION			
Opening accumulated amortisation	3.07	1.59	**4.66**
Amortisation expense for the year	2.79	6.38	**9.17**
Eliminated on disposal of assets	-	-	**-**
Accumulated amortisation as at 31 March 2018	5.86	7.97	**13.83**
Carrying amount as at 31 March 2018	**5.63**	**24.04**	**29.67**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 9 -Restated Consolidated Summary Statement of Investment Property

Investment Property

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Carrying amounts of :			
Land	0.24	0.24	0.24
	0.24	**0.24**	**0.24**

Investment Property

Particulars	**Land**
Cost as at 1 April 2015	**0.24**
Additions	-
Disposals	-
Cost as at 31 March 2016 (Proforma)	0.24
DEPRECIATION	
Opening accumulated depreciation	-
Depreciation / amortisation expense for the year	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2016	-
Carrying amount as at 31 March 2016 (Proforma)	**0.24**
Deemed cost as at April 1, 2016	**0.24**
Additions	-
Disposals	-
Cost as at 31 March 2017	0.24
DEPRECIATION	
Opening accumulated depreciation	-
Depreciation / amortisation expense for the year	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2017	-
Carrying amount as at 31 March 2017	**0.24**
Cost as at 1 April 2017	**0.24**
Additions	-
Disposals	-
Cost as at 31 March 2018	0.24
DEPRECIATION	
Opening accumulated depreciation	-
Depreciation / amortisation expense for the period	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2018	-
Carrying amount as at 31 March 2018	**0.24**

Amount recognized in statement of profit and loss for investment property

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Rental income	-	-	0.23

Fair value of investment property

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Land (Investment property)	2.15	2.15	2.15

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Note:

i) The fair value of investment property is based on a valuation carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of the investment property has been arrived at by means of market approach. As per the said technique, fair value of investment property is arrived by considering the comparable prices of similar property at that location.

ii) There are no restrictions attached to the above said investment property.

Annexure 10 -Restated Consolidated Summary Statement of Other investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current (Quoted)			
Investments in bonds			
1,236 units of 8.2% 2022 tax free bonds of National Highway Authority of India of Rs.1,000/- each	1.24	1.24	1.24
	1.24	**1.24**	**1.24**
Current (Quoted)			
Investment in Mutual funds			
SBI Premier Liquid Fund - Regular Plan - Daily dividend	357.51	255.26	35.80
	357.51	**255.26**	**35.80**
Aggregate book value of quoted investments	**358.75**	**256.50**	**37.04**
Aggregate market value of quoted investments	**358.75**	**256.50**	**37.04**

Annexure 11 -Restated Consolidated Summary Statement of Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current			
Interest accrued on loans to related parties	-	-	-
Interest accrued on deposits with banks and on bonds	0.52	-	-
Security deposits	4.37	3.15	4.54
Balances held as margin money against guarantees	17.09	0.95	0.95
	21.98	**4.10**	**5.49**
Current			
Security deposits	3.81	11.43	7.92
Loans to employees	0.64	0.42	1.92
Interest accrued on deposits with banks and on bonds	0.25	0.72	1.93
Rent receivable	-	-	0.04
Advance to related parties [Refer note 1 below]	-	0.05	0.05
Other receivables (refer Annexure 35)	16.16	0.01	0.16
	20.86	**12.63**	**12.02**

Note 1: The Company has majority voting rights [with 51% equity shareholding (100% shareholding upto November 2015)] in Agri Power and Engineering Solutions Private Limited ("APES"). The other shareholder of APES has entered into an 'Option Agreement' ("the Agreement") with the Company and APES during the financial year 2014-15 and in terms of the said Agreement, the other shareholder or its nominee, at any time during the period of ten years from November 26, 2014 to November 25, 2024, can acquire upto 75.01% of shares of APES held by the Company at a price equal to the face value of such shares and / or subscribe for the new shares to be issued by APES at a price that will be determined by APES at the time of such issue. Hence, in terms of this Agreement, the other shareholder has ability to direct the relevant activities of APES and also, the Company is obliged to sell the equity shares of APES to the other shareholder at any time the other shareholder intends to buy such shares. Accordingly, the Management has assessed that the Company doesn't 'control' APES and hence APES is not considered to be subsidiary of the Company under Ind AS.

The aggregate investment by the Company in APES amounting to Rs. 100,000 (10,000 equity shares of Rs. 10 each) during the period September 26, 2014 to November 2015 and Rs. 51,000 (5,100 equity shares of Rs. 10 each) during the period November 2015 to October 13, 2017 has been disclosed under 'Advance to related parties' above. The Board of directors of the Company, in their meeting on October 13, 2017, has approved the transfer of the 2,601 shares to the other shareholder / their nominees at face value of Rs. 10 each under the above referred Agreement. Pursuant to such approval, the Company has transferred the shares on October 13, 2017. Further, the balance 2,499 shares were transferred by the Company to the promoters of the Company at face value of Rs.10 each on October 13, 2017.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 12 -Restated Consolidated Summary Statement of Deferred tax assets / (liabilities)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Deferred tax asset (Net)	36.13	37.41	34.31
Net deferred tax (liability) / asset [Refer Annexure 32]	**36.13**	**37.41**	**34.31**

Annexure 13 -Restated Consolidated Summary Statement of Other Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current			
Capital advance	12.14	-	-
Advance income tax (net of provisions for income tax)	9.75	9.90	11.77
Export incentives and SAD receivables	8.18	8.39	-
Prepaid rent	0.19	0.15	0.10
Prepaid expenses	1.03	-	-
VAT/GST credit receivable	140.35	54.33	46.48
Total	**171.64**	**72.77**	**58.35**
Current			
Prepaid expenses	2.38	6.93	3.57
Advance to suppliers	26.61	11.28	23.49
Total	**28.99**	**18.21**	**27.06**

Annexure 14 -Restated Consolidated Summary Statement of Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Inventories (lower of cost or net realisable value)			
- Raw materials	17.19	22.42	58.25
- Work-in-progress and semi-finished goods	322.50	301.02	254.09
- Stores and Spares	2.12	1.90	0.15
	341.81	**325.34**	**312.49**

The cost of inventories recognised as an expense includes Rs. 33.01 million (F.Y. 2016-17: Rs. 29.82 million; F.Y. 2015-16: Nil) in respect of write-downs of inventory to net realisable value.

Details of inventory of work-in-progress / semi finished goods

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Parts and components of Rice Milling Machineries	213.14	163.39	166.12
Parts and components of Colour Sorters	109.36	137.63	87.97
	322.50	**301.02**	**254.09**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 15 -Restated Consolidated Summary Statement of Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	606.81	468.40	403.63
(c) Doubtful	25.58	25.93	5.18
Less: Accrual for expected credit losses (Refer Note-A below)	(25.58)	(25.93)	(5.18)
	606.81	**468.40**	**403.63**
Trade receivables include debts due from Private company in which directors of the Company were directors			
-Agri Power and Engineering Solutions Private Limited	-	-	0.07

Note-A: Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	25.93	5.18	2.50
Movement during the year, net	(0.35)	20.75	2.68
Balance at the end of the year	25.58	25.93	5.18

Ageing of trade receivables (net of expected credit loss allowance)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Outstanding for a period exceeding more than six months from the date they were due for payment	4.40	31.96	97.35
Others	602.41	436.44	306.28
Total	**606.81**	**468.40**	**403.63**

Annexure 16 -Restated Consolidated Summary Statement of Cash and bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Cash on hand	0.03	0.06	0.10
Balances with banks:			
In current accounts	12.91	8.05	32.73
In deposits account	1.55	37.52	0.11
Cash and cash equivalents	**14.49**	**45.63**	**32.94**
Other bank balances:			
In earmarked accounts (Balances held as margin money against guarantees)	34.09	44.37	105.08
	34.09	**44.37**	**105.08**
	48.58	**90.00**	**138.02**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 17 -Restated Consolidated Summary Statement of Equity Share Capital

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Authorised Share capital*:			
Equity Shares of Rs.10 each [Refer note (i) below for number of shares]	61.00	61.00	61.00
Issued and subscribed capital comprises:			
Equity Shares of Rs.10 each [Refer note (i) below for number of shares]	30.61	30.61	30.61
Total issued, subscribed and fully paid-up share capital	**30.61**	**30.61**	**30.61**

* Subsequent to the year ended March 31, 2018, the Company has increased its authorised share capital from 6,100,000 equity shares of Rs 10 each to 10,000,000 equity shares of Rs 10 each and the necessary statutory filings have been completed by the Company on April 22, 2018. Further, the authorised share capital has been increased from 10,000,000 equity shares of Rs 10 each to 15,000,000 equity shares of Rs 10 each and the necessary statutory filings in this regard have been completed by the Company on June 15, 2018.

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:
Equity Share Capital

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 (Proforma)**	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Balance as at the beginning of the year	3,061,224	30.61	3,061,224	30.61	3,061,224	30.61
Movement during the year	-	-	-	-	-	-
Balance outstanding as at the end of the year	3,061,224	30.61	3,061,224	30.61	3,061,224	30.61

(ii) Rights, preferences and restrictions attached to shares:
The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% of equity shares:

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at March 31, 2016 (Proforma)**	
	Number of shares	% holding in the class of shares	Number of shares	% holding in the class of shares	Number of shares	% holding in the class of shares
Mr. J. Rajendran	630,612	20.60	630,612	20.60	630,612	20.60
Mr. R. Ravindranath	630,612	20.60	630,612	20.60	630,612	20.60
M/s. Multiples Private Equity Fund	382,050	12.48	382,050	12.48	382,050	12.48
M/s. Multiples Private Equity Fund I Limited	1,117,950	36.52	1,117,950	36.52	1,117,950	36.52

Annexure 18 - Restated Consolidated Summary Statement of Other Equity

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Securities premium account	33.29	33.29	33.29
Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation			
Capital reserve (arising from Merger)	8.30	8.30	8.30
Surplus in Statement of Profit and Loss	991.73	744.95	549.29
Surplus in Statement of Profit and Loss comprise of the Company's undistributed earnings net of amounts transferred to General reserve, if any.			
	1,033.32	**786.54**	**590.88**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 19 - Restated Consolidated Summary Statement of Non-current borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Secured - at amortised cost			
(i) Term loans (Refer note below)			
from banks	-	-	106.67
(ii) Other loans (Refer note below)			
Vehicle loan - from Banks	9.47	11.47	13.21
Total non-current borrowings	**9.47**	**11.47**	**119.88**

A. (i) Term Loan-1 was for an amount of Rs. 286,000,000 and is repayable within 42 months from the date of disbursement in 14 quarterly instalments. This loan is secured on the primary hypothecation of inventory and receivables and all other current assets of the Company.

Term Loan-2 was for an amount of Rs. 20,000,000 and is repayable within 36 months (including moratorium of 2 months) from the date of disbursement in 34 monthly instalments. This loan is secured by primary hypothecation of the assets purchased or to be purchased as per project cost out of bank finance.

The above term loans are also collateral equitable mortgage of Factory land and building of the Company and collateral hypothecation of unencumbered plant and machineries of the Company and carried at floating interest rate that ranged from 10.10% to 12.60%.

Both the term loans were repayable within 10 - 18 months as at March 31, 2017 and 22 - 30 months as at April 1, 2016.
Term loan-1 was preclosed during the year on April 7, 2017 and Term loan-2 was preclosed on December 30, 2016.

B. Vehicle Loans are for an amount of Rs. 75,00,000 each and have been availed at an interest rate of 9.35% and were repayable in 84 equated monthly instalments.
(i) These loans have been secured by hypothecation of the vehicles purchased using the said term loan.
(ii) The Company has not defaulted in repayment of the loans and interest thereon.
(iii) Subsequent to the year end the Company has preclosed the entire vehicle loan on May 15, 2018.

C For current maturities of long term borrowings, refer Item (a) in Annexure 23 - Other financial liabilities.

Annexure 20 -Restated Consolidated Summary Statement of Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-Current			
Employee benefits			
Gratuity	10.37	8.06	4.46
Compensated absence	12.68	10.21	7.68
	23.05	**18.27**	**12.14**
Current			
Employee benefits			
Gratuity	1.01	1.01	1.01
Compensated absence	1.47	2.01	1.89
Provision for Income Tax	70.37	67.63	52.37
Provision for Tax on dividend	-	0.01	-
Provision for form C receivable (refer Note-A below)	4.12	5.55	-
Provision for Warranty (refer Note-B below)	16.18	9.20	5.30
	93.15	**85.41**	**60.57**
Current	93.15	85.41	60.57
Non-current	23.05	18.27	12.14

Note-A:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	5.55	-	-
Additions during the year	1.71	5.55	-
Utilisations / reversals during the year	(3.14)	-	-
Balance at the end of the year	**4.12**	**5.55**	**-**

Note-B:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	9.20	5.30	5.40
Additions	17.79	14.30	4.54
Utilisations	(10.81)	(10.40)	(4.64)
Balance at the end of the year	**16.18**	**9.20**	**5.30**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 21 -Restated Consolidated Summary Statement of Other Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non Current			
Deferred government grant income	-	4.49	5.13
	-	**4.49**	**5.13**
Current			
Advances from customer	173.69	105.37	59.03
Statutory remittances	6.23	4.95	4.34
Other outstanding liabilities	-	0.03	0.04
	179.92	**110.35**	**63.41**

Annexure 22 -Restated Consolidated Summary Statement of Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carried at amortised cost			
- Dues to micro and small enterprises	0.91	-	-
- Dues to creditors other than micro and small enterprises	639.39	543.56	415.26
	640.30	**543.56**	**415.26**

Annexure 23 -Restated Consolidated Summary Statement of Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-Current			
Other liabilities	0.19	0.19	0.19
	0.19	**0.19**	**0.19**
Current			
Current maturities of long term debt	1.93	61.84	90.43
Interest accrued but not due on borrowings	-	0.72	1.97
Payable on purchase of property plant and equipment	-	-	-
Payable to employees	23.46	31.74	34.47
Payable on business combination [Refer Annexure 8A]	-	22.48	-
	25.39	**116.78**	**126.87**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 24 - Restated Consolidated Summary Statement of Revenue from Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Sale of products			
Machinery products and spares	2,573.75	2,134.59	1,768.27
Traded Goods	-	2.78	10.44
Sale of services			
Erection and commissioning	38.11	26.48	25.79
Labour charges	8.60	9.37	10.48
Other operating revenue			
Sale of scrap	12.57	8.83	8.59
Packing, forwarding and insurance charges	25.82	24.39	17.10
Agency commission	-	-	0.16
Consultancy charges	-	-	3.26
Duty drawback	2.54	2.33	0.59
	2,661.39	**2,208.77**	**1,844.68**

Annexure 25 - Restated Consolidated Summary Statement of Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Interest income			
Bank Deposits	3.42	5.81	7.78
Interest from National Highway Authority of India bonds	0.10	0.10	-
Dividend Income	8.75	8.96	1.23
Net gain on foreign currency transactions and translation	-	3.99	3.91
Provision for receivables / Statutory forms / Other liabilities no longer required written back	10.10	-	-
Gain on disposal of subsidiary (Refer Annexure - 37)	0.09	-	-
Other non-operating income			
Government grant income	4.49	0.64	-
Rental income from land given on lease	-	-	0.23
Miscellaneous income	4.80	3.17	4.52
	31.75	**22.67**	**17.67**

Annexure 26 - Restated Consolidated Summary Statement of Cost of Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Cost of material consumed	1,492.20	1,289.62	1,057.13
Material consumed comprise:			
Motors of different specifications	80.57	111.52	116.87
Other items	1,411.63	1,178.10	940.26

Annexure 27 - Restated Consolidated Summary Statement of Changes in Inventories of Work-in-Progress, Semi-finished Goods and Finished Goods

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Inventories at the end of the year			
Work-in-progress and semi-finished goods	322.50	301.02	254.09
	322.50	301.02	254.09
Inventories at the beginning of the year			
Work-in-progress and semi-finished goods	301.02	254.09	198.75
	301.02	254.09	198.75
	(21.48)	**(46.93)**	**(55.34)**

Annexure 28 -Restated Consolidated Summary Statement of Employee benefits expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Salaries and wages	234.59	212.51	201.18
Contribution to provident and other funds	11.45	9.98	10.98
Staff welfare expenses	19.99	19.37	5.91
	266.03	**241.86**	**218.07**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 29 -Restated Consolidated Summary Statement of Finance Costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Interest expense on			
Borrowings	1.23	18.04	30.78
Others			
- Interest on delayed / deferred payment of income tax	-	0.20	2.50
Other borrowing costs	0.87	1.45	3.06
	2.10	**19.69**	**36.34**

Annexure 30 -Restated Consolidated Summary Statement of Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Depreciation of property, plant and equipment	38.70	40.46	38.83
Amortisation of intangible assets	9.17	4.66	1.90
Total depreciation and amortisation	**47.87**	**45.12**	**40.73**

Annexure 31 -Restated Consolidated Summary Statement of Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Consumption of packing materials	26.51	25.91	15.22
Job work charges	24.28	23.26	21.25
Contract and Processing charges	92.96	75.61	57.75
Security expenses	7.62	6.46	4.17
Power, fuel and water	17.15	13.84	13.28
Rent	5.35	2.91	2.75
Repairs and maintenance - Buildings	2.15	0.14	2.05
Repairs and maintenance - Plant and Machinery	10.30	6.68	3.57
Repairs and maintenance - Others	12.73	12.09	11.40
Insurance	1.14	0.76	1.00
Rates and taxes	3.63	9.54	13.45
Communication	5.83	5.97	7.51
Travelling and conveyance	48.21	40.93	39.53
Printing and stationery	1.30	1.67	1.72
Freight and forwarding	7.13	8.19	3.98
Sales commission	99.09	68.94	53.96
Business promotion	27.32	23.87	9.39
Legal and professional	17.30	10.57	18.93
Payments to auditors (refer Note - 31a below)	3.21	2.40	2.28
Net loss on foreign currency transaction and translation	10.07	0.02	9.25
Bad trade receivables written off (Out of Rs 3.40 million, Rs 2.45 million adjusted against opening expected credit losses)	0.94	0.06	-
Allowance for expected credit losses on trade receivables	2.95	20.69	2.32
Allowance for doubtful statutory forms receivables	-	5.55	
Warranty	18.29	14.30	13.70
Sales Discount	-	-	2.95
Bank charges	3.40	4.84	0.31
Research related expenses	3.83	5.47	3.45
Expenditure on Corporate Social Responsibility	1.25	0.21	2.36
Miscellaneous expenses	2.20	1.77	4.49
	456.14	**392.65**	**322.02**

Annexure 31a - Restated Standalone Summary Statement of payments to auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Payment to the auditors comprises			
- Statutory audit	3.00	1.89	1.88
- Reimbursement of expenses	0.21	0.51	0.40
	3.21	**2.40**	**2.28**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 32 -Restated Consolidated Summary Statement of Current Tax and Deferred Tax

Income Tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Current Tax	159.02	107.80	101.00
Deferred Tax			
In respect of current year	0.41	(3.20)	(31.62)
Income tax expense	**159.43**	**104.60**	**69.38**

Movement in deferred tax balances

Particulars	For the year ended March 31, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(3.21)	(2.31)	-	(5.52)
	(3.21)	(2.31)	-	(5.52)
Tax effect of items constituting deferred tax assets				
Employee Benefits and other provisions	40.62	1.90	(0.87)	41.65
	40.62	1.90	(0.87)	41.65
Net Tax Asset / (Liabilities)	**37.41**	**(0.41)**	**(0.87)**	**36.13**

Particulars	For the year ended March 31, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(5.11)	1.90	-	(3.21)
	(5.11)	1.90	-	(3.21)
Tax effect of items constituting deferred tax assets				
Inventory valuation adjustment	11.42	(11.42)	-	-
Employee Benefits and other provisions	28.00	12.72	(0.10)	40.62
	39.42	1.30	(0.10)	40.62
Net Tax Asset / (Liabilities)	**34.31**	**3.20**	**(0.10)**	**37.41**

Particulars	For the year ended March 31, 2016 (Proforma)			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	(3.61)	(1.50)	-	(5.11)
	(3.61)	(1.50)	-	(5.11)
Tax effect of items constituting deferred tax assets				
Inventory valuation adjustment	-	11.42	-	11.42
Employee Benefits and other provisions	8.30	21.70	(2.00)	28.00
	8.30	33.12	(2.00)	39.42
Net Tax Asset / (Liabilities)	**4.69**	**31.62**	**(2.00)**	**34.31**

Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Restated Profit before tax	450.28	289.43	243.40
Enacted income tax rate in India	34.608%	34.608%	34.608%
Computed expected tax expense	155.83	100.17	84.24
Effect on account of non-deductible expenses under income tax	1.12	0.71	0.05
Effect on account of losses incurred by subsidiary	(3.03)	(3.14)	(0.29)
Effect on account of loss of subsidiary	4.78	7.15	-
Effect on account of elimination of provision for doubtful allowances on consolidation	-	-	(13.80)
Others	0.73	(0.29)	(0.82)
Income tax expense recognised in statement of profit and loss	**159.43**	**104.60**	**69.38**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 33 - Restated Consolidated Summary Statement of Financial Instruments

Categories of financial instruments

Financial assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Measured at fair value through profit or loss (FVTPL)			
Investments in Mutual funds	357.51	255.26	35.80
Measured at amortised cost			
(a) Cash and bank balances	48.58	90.00	138.02
(b) Trade Receivables	606.81	468.40	403.63
(c) Other financial assets	44.08	17.97	18.75
Financial liabilities			
Measured at amortised cost			
(a) Trade Payables	640.30	543.56	415.26
(b) Borrowings	9.47	11.47	119.88
(c) Others	25.58	116.97	127.06

Financial risk management objectives
The Group's risk management is carried out by Treasury department under policies laid down by the management. The Group's activities expose it to market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

Foreign currency risk management
The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency denominated monetary liabilities (Trade payables) and Assets (Trade receivables) at the end of the reporting period are as follows.

Currency	**Trade payables**		
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
USD	300.42	261.93	204.96
Euro	54.96	47.52	50.82
GBP	-	0.03	-

Currency	**Trade receivables**		
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
USD	126.78	98.94	18.19

Foreign currency sensitivity analysis
The Group is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Group's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Amount in Rupees Millions except shares data or otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Impact on profit or loss for the year	(8.68)	(8.15)	(9.34)

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

Interest rate risk

The Group is exposed to interest rate risk on account of loans availed from banks at floating interest rate. On a regular basis, the Group's treasury function will monitor the market interest rates so that it would reap benefits of any decrease in the market interest rate by resorting to cheaper funding sources.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the Group's profit for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Decrease in the Profit for the year	(0.13)	(1.70)	(3.33)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits and collaterals taken by the Group for the credit sales. Most of the credit sales made by the Group are supported by collaterals such as Bank guarantee, Letter of credit, Bank deposits, etc. that are reviewed and approved by the management annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group monitors its trade receivables on case to case basis. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Liquidity risk is the risk that the Group could be unable to meet its short term financial demands.

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the Group's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

Liquidity analysis for non derivative financial liabilities-

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The contractual maturity is based on the earliest date on which the Group would be required to pay.

As at March 31, 2018

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	1.93	4.45	5.02	11.40	11.40
Trade payables and others	663.95	-	-	663.95	663.95
Total	**665.88**	**4.45**	**5.02**	**675.35**	**675.35**

As at March 31, 2017

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	21.35	47.19	5.12	73.66	73.31
Trade payables and others	598.69	-	-	598.69	598.69
Total	**620.04**	**47.19**	**5.12**	**672.35**	**672.00**

As at March 31, 2016 (Proforma)

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	69.15	134.42	7.44	211.01	210.31
Trade payables and others	451.89	-	-	451.89	451.89
Total	**521.04**	**134.42**	**7.44**	**662.90**	**662.20**

(Amount in Rupees Millions except shares data or otherwise stated)

Capital management

The Group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group consists of net debt and total equity of the Group. The management of the Group reviews the capital structure of the Group on a semi-annual basis.

The capital structure is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Total equity attributable to the equity share holders of the Group	1,063.93	817.15	621.49
As percentage of total capital	98.94%	91.77%	74.72%
Current maturities of non-current borrowings	1.93	61.84	90.43
Non-current borrowings	9.47	11.47	119.88
Total borrowings	**11.40**	**73.31**	**210.31**
As a percentage of total capital	1.06%	8.23%	25.28%
Total capital (borrowings and equity)	**1,075.33**	**890.46**	**831.80**

Fair Valuation Techniques and Inputs used

Financial assets/ financial liabilities measured at Fair value	Fair Value			Fair value hierarchy	Basis for valuation
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)		
Financial assets					
Investments					
1) Mutual fund investments	357.51	255.26	35.80	Level 1	Quoted price
Total financial assets	357.51	255.26	35.80		

The Management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 34 -Restated Consolidated Summary Statement of Employee Benefit Plans

Defined contribution plans
The Group makes Provident Fund, Pension fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognises the amount paid / payable to such funds in the Statement of Profit and Loss. The contributions made by the Group towards these schemes are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Employer’s contribution to provident fund and pension scheme	6.45	6.19	6.38
Employer’s contribution to Employees' State Insurance Corporation	1.68	0.91	0.91

Defined benefit plans
The Group offers gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk. The group makes contribution to Life Insurance Corporation (LIC) gratuity trust to discharge the gratuity liability except for M S Sorters Private Limited.

Interest risk
The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

Salary risk
Higher than expected increases in salary will increase the defined benefit obligation.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

I. Components of Employee Expense	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Particulars			
Current service cost	3.93	3.39	4.04
Past service cost - plan amendments	0.42	-	-
Curtailment cost / (credit)	-	-	-
Settlement cost / (credit)	-	-	-
Service cost	**4.35**	**3.39**	**4.04**
Net interest on net defined benefit liability / (asset)	0.65	0.40	0.56
Total expense recognised in P&L	**5.00**	**3.79**	**4.60**

Other Comprehensive Income (OCI)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Particulars			
Actuarial (gain)/loss due to DBO experience	(1.74)	(1.58)	(1.08)
Actuarial (gain)/loss due to DBO assumption changes	(1.02)	1.31	(5.18)
Actuarial (gain)/loss arising during period	(2.76)	(0.27)	(6.26)
Actual return on plan assets less interest on plan assets	0.24	0.17	0.14
Actuarial (gains)/ losses recognized in OCI	**(2.52)**	**(0.10)**	**(6.12)**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 34 -Restated Consolidated Summary Statement of Employee Benefit Plans

Defined Benefit Cost	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Service cost	4.35	3.39	4.04
Net interest on net defined benefit liability / (asset)	1.43	1.25	1.46
Actuarial (gains)/ losses recognized in OCI	(2.52)	(0.10)	(6.12)
Defined Benefit Cost	**3.26**	**4.54**	**(0.62)**

Key Assumptions

Discount Rate	7.70%	7.70%	8.10%
Rate of salary increase	8.00%	8.00%	10.00%

Net Balance Sheet position

Development of Net Balance Sheet Position	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Defined benefit obligation (DBO)	20.45	19.34	16.02
Less: Fair value of plan assets (FVA)	9.07	10.26	10.54
Funded status [(surplus)/deficit]	11.38	9.07	5.47
Effect of Asset ceiling	-	-	-
Net defined benefit (asset)/ liability	**11.38**	**9.07**	**5.47**

Reconciliation of Net Balance Sheet Position	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Net defined benefit (asset)/ liability at end of prior period	9.07	5.47	7.48
Service cost	4.35	3.39	4.04
Net interest on net defined benefit liability/ (asset)	0.65	0.40	0.56
Amount recognised in OCI	(2.52)	(0.10)	(6.12)
Employer contributions	(0.17)	(0.09)	(0.49)
Net defined benefit (asset)/ liability at end of current year	**11.38**	**9.07**	**5.47**

Actuarial assumptions	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Discount Rate	7.85%	7.55%	8.00%
Rate of salary increase	8.00%	8.00%	8.00%

Disclosure of Defined Benefit Cost for the years ended March 31, 2018 March 31 2017 and March 31, 2016.

Change in Defined Benefit Obligation (DBO)	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
DBO at end of prior period	19.34	16.02	18.13
Current service cost	4.35	3.39	4.04
Interest cost on the DBO	1.43	1.25	1.46
Curtailment (credit)/ cost	-	-	-
Settlement (credit)/ cost	-	-	-
Past service cost - plan amendments	-	-	-
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	(1.02)	1.31	(5.18)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(1.74)	(1.58)	(1.07)
Benefits paid directly by the Group	(1.91)	(1.05)	(1.36)
Benefits paid from plan assets	-	-	-
Liabilities assumed / (settled)	-	-	-
DBO at end of current period	**20.45**	**19.34**	**16.02**

Change in Fair Value of Assets	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Fair value of assets at end of prior period	10.26	10.54	10.65
Acquisition adjustment	-	-	-
Interest income on plan assets	0.78	0.85	0.90
Employer contributions	0.17	0.09	0.49
Return on plan assets greater/(lesser) than discount rate	(0.24)	(0.17)	(0.14)
Benefits paid	(1.90)	(1.05)	(1.36)
Fair Value of assets at the end of current year	**9.07**	**10.26**	**10.54**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 34 -Restated Consolidated Summary Statement of Employee Benefit Plans

Expected benefit payments for the year ending	**As at March 31, 2018**
Particulars	
March 31, 2019	0.24
March 31, 2020	0.27
March 31, 2021	0.30
March 31, 2022	0.34
March 31, 2023	0.38
March 31, 2024	0.87
March 31, 2025	2.71
March 31, 2026	0.55
March 31, 2027	1.24
March 31, 2028 and above	83.89

The weighted average duration to the payment of the above said cash flows is in the range of 12.30 to 16.16 years.

Composition of plan assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Insurer managed funds	9.07	10.26	10.54
Total	**9.07**	**10.26**	**10.54**

Current and Non Current Liability portion	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Particulars			
Current liability	1.01	1.01	1.01
Non-current liability	10.37	8.06	4.46
Net (Asset)/ Liability	**11.38**	**9.07**	**5.47**

Sensitivity Analysis

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
DBO on base assumptions	20.45	19.34	16.02

Discount Rate

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Discount Rate	**7.85%**	**7.55%**	**8.00%**
1 Effect on DBO due to 50 bps increase in Discount Rate	-7.68% to -5.93%	-7.44% to -8.56%	-7.63% to -8.75%
2 Effect on DBO due to 50 bps decrease in Discount Rate	8.51% to 6.38%	8.26% to 9.56%	8.47% to 9.8%

Salary escalation rate

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Salary Escalation Rate	**8.00%**	**8.00%**	8.00%
1 Effect on DBO due to 50 bps increase in Salary Escalation Rate	8.44% to 6.34%	7.37% to 9.08%	7.72% to 9.75%
2 Effect on DBO due to 50 bps decrease in Salary Escalation Rate	-7.7% to -5.95%	-6.84% to -8.57%	-7.13% to -8.78%

As the sensitivity of defined benefit obligation to change in discount rate and salary escalation rate is different for the Company and it subsidiaries, the same has been disclosed in terms of range.
These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 35 - Restated Consolidated Summary Statement of Transactions with Related Parties and Balances

A. Name of related parties and description of relationship:

a) Key managerial personnel and Significant Shareholders ("KMP")

1. J. Rajendran, Director
2. R. Ravindranath, Director
3. Prabhakar Tadepalli, Director
4. Prakash Kulathu Iyer, Nominee Director
5. Sridhar Sankararaman, Nominee Director
6. Nirupama Vellore Ganapathy, Independent Director (w.e.f. 20 April 2018)
7. Rajasekhara Reddy, Independent Director (w.e.f. 20 April 2018)
8. Saravanan Arumugam, Independent Director (w.e.f. 20 April 2018)
9. Ganapathy Subramaniam , Chief Financial Officer (w.e.f. 5 April 2018)
10. Kavita Manta, Company Secretary (w.e.f. 5 April 2018)

b) Enterprises in which KMP has control

1. Turbo Power and Engineering Solutions (TPES)

c) Enterprises in which parties having control in the Company are KMPs

1. Agri Power and Engineering Solutions Private Limited (APESPL)

d) Parties holding more than 20% of equity share capital of the Company

1. J. Rajendran
2. R. Ravindranath
3. Multiples Private Equity Fund and Multiples Private Equity Fund I Limited (together “Multiples Group”)

e) Party exercising significant influence in a subsidiary:

1. Sea S.R.L.

Particulars of transactions with	KMP			TPES			APESPL			Party exercising significant influence in a subsidiary		
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Other income												
Interest on unsecured loan	-	-	-	-	-	-	-	-	0.47	-	-	-
Rental income from land given on lease	-	-	-	-	-	-	-	-	0.23	-	-	-
Contract wages	-	-	-	-	-	-	-	-	0.22	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.92**	**-**	**-**	**-**
Purchases	-	-	-	-	-	14.22	-	-	14.26	-	2.39	3.60
Advance paid for purchase of capital goods	-	-	-	-	-	-	20.00	-	-	-	-	-
Advance received back on cancelation	-	-	-	-	-	-	20.00	-	-	-	-	-

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 35 - Restated Consolidated Summary Statement of Transactions with Related Parties and Balances

Particulars of transactions with	KMP			TPES			APESPL			Party exercising significant influence in a subsidiary		
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Dividend												
J. Rajendran	8.20	-	-	-	-	-	-	-	-	-	-	-
R. Ravindranath	8.20	-	-	-	-	-	-	-	-	-	-	-
Towards sale of investments												
J. Rajendran	0.06	-	-	-	-	-	-	-	-	-	-	-
R. Ravindranath	0.06	-	-	-	-	-	-	-	-	-	-	-

Particulars of transactions with	Multiples Private Equity Fund			Multiples Private Equity Fund I Limited		
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Dividend	4.97	-	-	14.53	-	-

	KMP			TPES			APESPL			Party exercising significant influence in a subsidiary		
Balances outstanding	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Trade receivables	-	-	-	-	-	-	-	-	0.07	-	-	-
Other financial liabilities - Security deposit	-	-	-	-	-	-	0.19	0.19	0.19	-	-	-
Trade payables	-	-	-	-	-	-	-	0.55	6.89	54.82	47.52	50.82

Apart from the balances mentioned above, the Company is also entitled to receive from the selling shareholders, the reimbursement of expenses incurred in relation to the proposed listing of its equity shares. The amount of such reimbursement receivable as on March 31, 2018 is Rs. 16.16 Millions and the same is disclosed as "Other receivables" under "Other financial assets" under Annexure 11.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 35 - Restated Consolidated Summary Statement of Transactions with Related Parties and Balances

Remuneration Paid to Key Management Personnel
The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Short-term benefits	34.71	33.06	31.48
Post-employment benefits	0.04	0.04	0.04
Total	**34.75**	**33.10**	**31.52**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 36 -Restated Consolidated Summary Statement of Segment Reporting

Disclosure on Operating segments
The Company and its subsidiaries (Group) are predominantly engaged in the business of manufacturing and selling machinery for rice, maize and pulse processing. The economic characteristics, nature of service provided, production and distribution process of the Company and its subsidiaries are similar.
The Chief Operating Decision Maker reviews the operations of the Group as a unit of manufacturing and selling of machinery, which is considered to be the only reportable segment by the Management.

As the cost to provide product wise revenue would be excessive, the Group has not disclosed the same.

Geographical information:
The group operates primarily in India.

	Revenue		
Country	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
India	2,522.28	2,041.71	1,789.81
Others	139.11	167.06	54.87
Total	**2,661.39**	**2,208.77**	**1,844.68**

43. Disclosure of interest in Subsidiaries

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Group		
			As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
M S Sorters Private Limited (MSPL)	Manufacturing and selling of optical sorting machines	India	55%	55%	55%
Milltec Industries and Power Solutions Private Limited (upto February 7, 2018)	Yet to start operations	India	-	100%	100%

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 37 - Restated Consolidated Summary Statement of Earnings Per Share, Leases, Contingent Liabilities and Commitments and Other Matters

Earnings per share (EPS)*

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Restated Profit after tax as per Statement of Profit and Loss (in Rs. Millions)	(A)	293.04	195.57	181.54
Weighted average number of equity shares outstanding (Basic)	(B)	3,061,224	3,061,224	3,061,224
Weighted average number of equity shares outstanding (Diluted)	(C)	3,061,224	3,061,224	3,061,224
Nominal value of shares (Rs.)		10	10	10
Earnings per share (basic) (Rs.)	(A/B)	95.73	63.89	59.30
Earnings per share (diluted) (Rs.)	(A/C)	95.73	63.89	59.30

* Also refer Annexure 40 for impact on basic and diluted EPS post bonus issue.

Leases
The Group has taken certain premises under operating leases on cancellable basis. The lease is renewable by mutual consent and there are no contingent rent payments. There are no sub-leases payments received / receivable.
The total lease rent debited to the Statement of Profit and Loss and is disclosed as rent in other expenses.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Lease rent debited to the Statement of Profit and loss	5.35	2.91	2.75
Lease rent credited to the Statement of Profit and loss	-	-	0.23

Non-cancellable operating lease commitments:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Not less than 1 year	2.54	3.63	1.65
Later than 1 year and not later than 5 years	-	1.40	1.63
Later than 5 years	-	-	-

Contingent Liabilities and Commitments

Contingent liability	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Pertaining to labour matters	3.78	3.78	3.78

Commitments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Estimated amount of contracts to be executed on capital account and not provided for	74.11	22.50	-

The summarised financial information of MS. Sorters Private Limited is set out below

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Current Assets	4.92	40.01	118.21
Non-Current Assets	6.51	6.62	9.50
Current Liabilities	59.72	80.72	140.85
Non-Current Liabilities	40.19	49.52	46.41

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Revenue	13.16	14.46	145.05
Other Income	4.17	5.86	3.44
Expenses	22.19	44.20	165.20
Restated Profit / (loss) for the year/ period	(4.86)	(23.88)	(16.71)
Total Comprehensive Income for the year	(4.86)	(24.07)	(16.38)
Net Cash inflows (outflows) from operating activities	(25.35)	9.67	(18.01)
Net Cash inflows (outflows) from Investing activities	0.54	25.49	18.88
Net Cash inflows (outflows) from Financing activities	(10.67)	(0.56)	(4.02)
Net Cash inflows (outflows)	(35.48)	34.60	(3.15)

The financial information given above is before eliminating intra group transactions.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 37 - Restated Consolidated Summary Statement of Earnings Per Share, Leases, Contingent Liabilities and Commitments and Other Matters

Going concern:
M.S.Sorters Private Limited, a subsidiary of the Company, has incurred losses during the year ended March 31, 2018 and in the previous years and its networth is eroded. Further, the current liabilities of the subsidiary exceed the current assets as at March 31, 2018 by Rs 54.80 million. As per the books of account, a significant amount of trade payables (Rs 54.82 million out of the total of Rs 55.70 million), outstanding as at March 31, 2018 is payable to a shareholder of the Company, namely Sea SRL Ltd., which holds 45% of the equity of the company. Further, long-term loans amounting to Rs 30 million and interest on the same amounting to 9.87 million is payable to the company as at the balance sheet date.
The two shareholders of the subsidiary are in discussion to reach an agreement on the manner of settlement of these liabilities. Pending the discussions, the Management of the subsidiary company has prepared the financial statements of the subsidiary on the basis of their plans which interalia envisage that the subsidiary should be able to realise its assets and meet their other obligations in the normal course of business. Should the outcome of the discussion between the shareholders of the subsidiary be unfavourable, the subsidiary may be unable to realise its assets and discharge its liabilities in the normal course of business. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Certain trade receivables referred to in Annexure 15 are covered by letters of credit / bank guarantees.

Other Matters:

a) The Group has received an advance of USD 200,000 against supply from an overseas party which is outstanding for a period exceeding 12 months, for which the party is yet to confirm the delivery schedule. Accordingly the Company has made an application with the regulatory authorities as required under the Foreign Exchange Management Act, 1999 for regularising the said transaction.

b) The Group has trade payables of Rs 54.82 million against purchases from an overseas party which is outstanding for a period exceeding three years as at the balance sheet date. The Company has made an application with the regulatory authorities as required under the Foreign Exchange Management Act, 1999 in respect of these outstanding dues for regularising the said transaction.

Necessary approvals in respect of the above matters are awaited.

c) Pursuant to a directive of the Ministry of Corporate affairs (MCA), one of the directors of the Company was rendered disqualified as a director in terms of Section 164(2) of the Companies Act, 2013, pursuant to his directorships in certain other companies which had defaulted in filing their annual returns. The director, based on a writ petition filed with the Honourable High Court of Karnataka (HC), has prayed for an interim stay of the MCA directive. The HC vide its Order dated June 4, 2018, has stayed the applicability of the said directive of the MCA. The Board of Directors have taken on record a legal opinion received from the said director that consequent to the aforesaid stay order of the HC, the director is not disqualified as a director as at March 31, 2018.

d) Pursuant to the provisions of Section 167(1)(b) of the Companies Act, 2013, office of director held by Ms. Michela Pelliconi (DIN: 02630256) and Mr. Antonio Uzzo (DIN: 02630303), representing Sea SRL, an investor holding 45% equity stake in the subsidiary M.S. Sorters Private Limited, have vacated their officer as directors from August 17, 2017 and the same has been taken on record by the Board of Directors of the subsidiary at their meeting held on August 17, 2017. Intimation of vacation of office by these directors has been filed by the subsidiary with the Registrar of Companies, Karnataka, Bengaluru on September 4, 2017.

The subsidiary company has also not received the declarations from the above directors in Form DIR-8 under section 164(2) of the Companies Act, 2013.

e) **Bonus Issue:**
The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

f) The Board of Directors of the Company at their meeting held on June 14, 2018 have recommended a final dividend for the year ended March 31, 2018 of Rs 33 per equity share of face value of Rs 10 each and the shareholders have approved the same at their meeting held on June 15, 2018. The shareholders in their meeting on June 15, 2018 have also approved the interim dividend for the financial year 2017-18 of Rs. 13 per equity share declared by the Board of Directors vide circular resolution dated April 19, 2017.

E. ESOP / ESAR
The shareholders of the Company, at their meeting held on June 15, 2018, have approved the following schemes:

a. Employees Stock Appreciation Rights 2018 (ESAR); and
b. Employees Stock Option Plan 2018 (ESOP)

Under ESAR, 250,000 equity shares have been reserved and under ESOP, 50,000 equity shares have been reserved, for issuance. The Company has, on June 23, 2018 granted 164,688 ESARs to an employee at an exercise price of Rs. 361 per ESAR. The ESAR's vest over a period of 2 years equally and are exercisable over a period of 3 years from the date of vesting.

Disposal of Subsidiary (MILLTEC Industries and Power Solutions Private Limited)
On February 7, 2018, the group has disposed the entire equity interest held in MILLTEC Industries and Power Solutions Private Limited. The details of sale proceeds and net assets on which the Group has lost control is as below:

Particulars	Amount
Sale proceeds	0.10
Less: Net assets on which control has been lost	(0.01)
Profit on disposal of subsidiary	**0.09**

The gain on disposal of subsidiary (as mentioned above) has been recognised as "Other Income" in Annexure 25.

32.4.1 Net cash inflow on disposal of subsidiary

Consideration received in cash and cash equivalents	0.10
Less: Cash and cash equivalents disposed off	(0.01)
	0.09

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 38 - Consolidated Summary Statement of First Time Ind AS adoption reconciliations

(i) Reconciliation of Equity

Particulars	Note reference	As at March 31, 2017	As at March 31, 2016 (Proforma)
Share capital		30.61	30.61
Reserves		777.27	586.80
Equity as per previous GAAP		**807.88**	**617.41**
Add/(Less): Ind AS and other adjustments			
Recognition of government grant as per Ind AS 20	1	21.12	20.49
Incremental depreciation on account of recognition of government grant as per Ind AS 20	1	(18.34)	(16.73)
Change in accounting treatment of processing fee incurred with respect to Term loans availed from Banks	2	0.35	0.69
Change in Company's relationship with Agri Power and Engineering Solutions Private Limited under Ind AS	4	(27.82)	(2.50)
Incremental amortisation on account of fair valuation of intangible assets acquired in business combination as per Ind AS 103	5	(0.25)	-
Tax effect on above adjustments		(3.41)	(3.08)
Others	6	-	(21.58)
Equity as per Ind AS before restatement adjustments		**779.53**	**594.70**

(ii) Reconciliation of Total Comprehensive Income

Particulars	Note reference	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Profit as per Indian GAAP		**190.47**	**202.76**
Add/(Less): Adjustment under Ind AS and others			
Recognition of government grant as per Ind AS 20	1	0.63	-
Incremental depreciation on account of recognition of government grant as per Ind AS 20		(1.61)	(1.96)
Change in accounting treatment of processing fee incurred with respect to Term loans availed from Banks	2	(0.34)	(0.29)
Recognition of actuarial loss in Other Comprehensive Income	3	(0.10)	(6.12)
Effect on account of not considering Agri Power and Engineering Solutions Private Limited as subsidiary under Ind AS	4	(25.32)	(1.47)
Incremental amortisation on account of fair valuation of intangible assets acquired in business combination as per Ind AS 103	5	(0.25)	
Tax effect on above adjustments		(0.23)	2.68
Others	6	21.58	(21.58)
Profit as per Ind AS		**184.83**	**174.02**
Other Comprehensive Income:			
Recognition of actuarial loss in Other Comprehensive Income	3	0.10	6.12
Income tax on above		(0.10)	(2.00)
Total Comprehensive Income as per Ind AS before restatement adjustments		**184.83**	**178.14**

S.No.	Explanatory Note
1	Under previous GAAP, the benefit received on account of customs duty waiver upon import of capital goods (Plant and machinery) under EPCG scheme is not considered in the carrying amount of respective assets. However, under Ind AS the benefit received on account of customs duty waiver is capitalised as cost of acquisition of the asset by recognising corresponding deferred government grant income liability. The said deferred government grant income liability will be recognised as government income to the statement of profit and loss as and when the conditions attached with respect to such import of capital goods are met. The impact of the above has consequentially resulted in incremental depreciation on plant and machinery that are imported through EPCG scheme and recognition of "Government grant income".
2	Under previous GAAP, transaction cost incurred towards origination of borrowings was expensed off as and when the same is incurred. However, as per Ind AS 109, such transaction costs are deducted from the carrying amount of borrowings on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the loan, as interest expense by applying Effective Interest Rate method (EIR).

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 38 - Consolidated Summary Statement of First Time Ind AS adoption reconciliations

3	Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses is recognised in other comprehensive income. Hence, on recognition of actuarial gain / loss in other comprehensive income there is an decrease / increase in profit.
4	Under Indian GAAP, investment in Agri Power and Engineering Solutions Private Limited ("APES") is assessed to be subsidiary of Milltec Machinery Private Limited ("MMPL") on account of majority of voting rights held by MMPL. The Company has majority voting rights [with 51% equity shareholding (100% shareholding upto November 2015] in Agri Power and Engineering Solutions Private Limited ("APES"). The other shareholder of APES has entered into an 'Option Agreement' ("the Agreement") with the Company and APES during the financial year 2014-15 and in terms of the said Agreement, the other shareholder or its nominee, at any time during the period of ten years from November 26, 2014 to November 25, 2024, can acquire upto 75.01% of shares of APES held by the Company at a price equal to the face value of such shares and / or subscribe for the new shares to be issued by APES at a price that will be determined by APES at the time of such issue. Hence, in terms of this Agreement, the other shareholder has ability to direct the relevant activities of APES and also, the Company is obliged to sell the equity shares of APES to the other shareholder at any time the other shareholder intends to buy such shares. Accordingly, the Management has assessed that the Company doesn't 'control' APES and hence APES is not considered to be subsidiary of the Company under Ind AS.
5	During the financial year 2016-17, the Company has acquired the business of manufacture, sale and service of rice milling machinery from a party. Under Indian GAAP, the assets acquired under this transaction were recorded at the transaction amounts. Under Ind AS, the assets acquired in the said transaction are measured at fair values and the difference between the consideration paid and fair value of assets acquired is recognised as Goodwill. On account of this, there is an increase in the carrying amount of know how. Accordingly, amortisation for the year ended March 31, 2017 has also increased to the extent of INR 0.25 Millions.
6	Post migration in to SAP ERP from April, 1, 2014, the Company introduced automated module for valuation of Work in progress (WIP). The said module was being tested by the management by comparing the results with actual WIP available after physical count on month to month basis and valuing the same using a manual computation. However, as at March 31, 2016, the valuation for WIP was recorded using automated module in addition to the WIP recorded based on physical count, thereby resulting in recording of additional WIP of Rs. 33 Million as at March 31, 2016. Subsequent to March 31, 2016, the Company's management identified and adjusted the same and charged the excess value of WIP to cost of material consumed in the Statement of profit and loss account in the year ended March 31, 2017. Post adoption of Ind AS with transition date of April 1, 2016, the Company has appropriately adjusted the above impact in the year 2015-16 along with the related tax impact. The post-tax impact arising out of this adjustment is Rs.21.58 Million.

(iii) There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under IndAS.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 39 -Restated Consolidated Summary Statement of Tax Shelters

Particulars		**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Restated Profit before current and deferred taxes	**(A)**	450.28	289.43	243.40
Enacted income tax rate in India	**(B)**	34.608%	34.608%	34.608%
Tax expense at the above tax rate	**(C)**	155.83	100.17	84.24
Adjustments - Tax effect:				
On account of non-deductible expenses under income tax (expenses incurred towards corporate social responsibility, disallowance u/s 14A of Income-tax Act, 1961 and others)		1.12	0.71	0.05
On account of Income exempt under income tax (dividend income)		(3.03)	(3.14)	(0.29)
On account of loss of subsidiary		4.78	7.15	-
On account of increase in profit on consolidation of subsidiary		-	-	(13.80)
Others		0.73	(0.29)	(0.82)
Total	**(D)**	**3.60**	**4.43**	**(14.86)**
Total current tax expenses as per Restated Consolidated Summary Statement of Profit and Loss		**159.43**	**104.60**	**69.38**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 40 - Restated Consolidated Summary Statement of Accounting Ratios

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Basic and Diluted Earnings Per Share (Rs.)			
Basic Earnings Per Share (Basic EPS)			
Restated profit after tax attributable to equity shareholders	293.04	195.57	181.54
Weighted average number of Equity Shares outstanding (pre-bonus issue)	3,061,224	3,061,224	3,061,224
Weighted average number of Equity Shares outstanding (post-bonus issue) Refer Note-A below	10,004,000	10,004,000	10,004,000
Basic EPS in Rs. (pre-bonus issue)	95.73	63.89	59.30
Basic EPS in Rs. (post-bonus issue) Refer Note-A below	29.29	19.55	18.15
Face value in Rs.	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)			
Restated profit after tax attributable to equity shareholders	293.04	195.57	181.54
Weighted average number of Shares used for calculating	3,061,224	3,061,224	3,061,224
Effect of dilution	-	-	-
Weighted average number of shares considered for calculating Diluted EPS (pre-bonus issue)	**3,061,224**	**3,061,224**	**3,061,224**
Weighted average number of shares considered for calculating Diluted EPS (post-bonus issue) Refer Note-A below	**10,004,000**	**10,004,000**	**10,004,000**
Diluted EPS in Rs. (pre-bonus issue)	95.73	63.89	59.30
Diluted EPS in Rs. (post-bonus issue) Refer Note-A below	29.29	19.55	18.15
Face value in Rs.	10.00	10.00	10.00
Return on Net worth			
Restated profit after tax	290.85	184.83	174.02
Net worth, as restated (Refer Note-B below)	1,055.63	808.85	613.19
Return on net worth	**27.55%**	**22.85%**	**28.38%**
Net Asset Value Per Equity Share (Rs.)			
Net asset value (Net-worth), as restated (Refer Note-B below)	1,055.63	808.85	613.19
Number of equity shares outstanding at the year end	3,061,224	3,061,224	3,061,224
Number of adjusted equity shares outstanding at the year end (pre-bonus issue)	**3,061,224**	**3,061,224**	**3,061,224**
Number of adjusted equity shares outstanding at the year end (post-bonus issue) Refer Note-A below	**10,004,000**	**10,004,000**	**10,004,000**
Net assets value per equity share (Rs.) (pre-bonus issue)	**344.84**	**264.22**	**200.31**
Net assets value per equity share (Rs.) (post-bonus issue) Refer Note-A below	**105.52**	**80.85**	**61.29**

The ratios have been computed as per the following formulae:
(i) Basic and Diluted Earnings per Share

$$\frac{\text{Restated Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Restated Profit after tax}}{\text{Net worth (refer below), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve, capital reserve arising from amalgamation, where applicable), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note-A: Bonus Issue
The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

Note-B:
Networth / Net Asset Value (NAV), as restated, is as at March 31, 2018.
The shareholders, in their meeting held on June 15, 2018, have approved final dividend for the year ended March 31, 2018 of Rs 33 per equity share resulting in a cash outflow of Rs 121.79 million (including dividend distribution tax of Rs 20.77 million). The shareholders in the above referred meeting, have also approved interim dividend for the year 2017-18 of Rs.13 per equity share declared by the Board of Directors vide circular resolution dated April 19, 2017.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Ind AS Financial Information
(Amount in Rupees Millions except shares data or otherwise stated)

Annexure 41: Capitalisation statement as at March 31, 2018

Particulars	**Pre-offer as at March 31, 2018**	**As adjusted for offer (Refer Note-iv below)**
Debt		
Non-current financial liabilities - Borrowings (A)	9.47	
Current maturities of long-term debt (B)	1.93	
Total borrowings (C = A+B)	**11.40**	**-**
Shareholder's funds		
Share capital	30.61	
Other equity, as restated:		
Securities premium	33.29	
Capital Reserve	8.30	
Surplus in statement of profit and loss	991.73	
Total shareholder's funds (D)	**1,063.93**	**-**
Long-term debt / Equity (A/D)	0.01	-
Total debt / Equity	0.01	-

Notes:
i. Long-term debt / Equity:

$$\frac{\text{Non-current financial liabilities - Borrowings}}{\text{Total shareholder's funds}}$$

ii. Total debt / Equity:

$$\frac{\text{Total borrowings}}{\text{Total shareholder's funds}}$$

iii. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.

iv. The Company is proposing an Initial public offering through offer for sale. Hence, there will be no change in the shareholder's funds post issue.

v. The figures disclosed above are based on the restated consolidated summary statement of assets and liabilities of the Group.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 1A: Restated Consolidated Summary Statement of Assets and Liabilities

Particulars	Annexure No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	**6A**	30.61	30.00
Reserves and surplus	**7A**	384.03	218.39
Total (A)		**414.64**	**248.39**
Minority interest (B)	**7A(i)**	**-**	**-**
Non-current liabilities			
Long-term borrowings	**8A**	197.50	265.74
Other long-term liabilities	**9A**	**-**	33.90
Long-term provisions	**10A**	5.47	3.12
Total (C)		**202.97**	**302.76**
Current liabilities			
Trade payables	**11A**	292.68	253.99
Other current liabilities	**12A**	180.45	197.92
Short-term provisions	**13A**	32.96	13.85
Total (D)		**506.09**	**465.76**
TOTAL E=(A + B + C+D)		**1,123.70**	**1,016.91**
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	**14A**	334.79	305.72
Intangible assets	**14A**	7.68	0.17
Capital work-in-progress		2.07	8.45
Non-current investments	**15A**	1.24	1.24
Deferred tax assets (net)	**16A**	8.45	7.80
Long-term loans and advances	**17A**	63.31	72.81
Other Non current assets	**18A**	0.95	-
Total (F)		**418.49**	**396.19**
Current assets			
Current investments	**19A**	25.30	4.31
Inventories	**20A**	272.52	236.27
Trade receivables	**21A**	278.56	287.48
Cash and cash equivalents	**22A**	84.65	80.05
Short-term loans and advances	**23A**	43.22	10.86
Other current assets	**24A**	0.96	1.75
Total (G)		**705.21**	**620.72**
TOTAL H=(F+G)		**1,123.70**	**1,016.91**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Sathya P. Koushik
Partner
Membership Number :206920

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 29, 2018

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 2A: Restated Consolidated Summary Statements of Profit and Loss

Particulars	Annexure No.	For the year ended March 31, 2015	For the year ended March 31, 2014
REVENUE			
Revenue from operations (gross)	**25A**	1,728.04	1,878.15
Less: Excise duty	**25A**	-	-
Revenue from operations (net) (A)		**1,728.04**	**1,878.15**
Other Income (B)	**26A**	17.30	13.49
Total revenue C = (A + B)		**1,745.34**	**1,891.64**
EXPENSES			
Cost of material consumed	**25A**	972.84	916.30
Purchase of stock-in-trade	**25A**	13.56	4.47
Changes in inventories of work-in-progress and semi-finished goods	**25A**	(85.44)	25.15
Employee benefits expense	**25A**	204.96	177.06
Finance costs	**25A**	50.29	53.75
Depreciation and amortisation expense	**14A**	36.15	26.51
Other expenses	**25A**	289.60	362.27
Total expenses (D)		**1,481.96**	**1,565.51**
Restated profit before tax E = (C-D)		**263.38**	**326.13**
TAX EXPENSE			
Current tax		91.45	132.50
Deferred tax		(0.65)	(7.04)
Net tax expense (F)		**90.80**	**125.46**
Restated profit for the year G = (E - F)		**172.58**	**200.67**
Add: Share of losses attributed to minority shareholders (H)		-	-
Profit for the year attributable to the shareholders of the Company I = (G-H)		**172.58**	**200.67**
Earnings per share (Rs.10/- each):			
-Basic (in Rs.)	**27A**	56.99	66.89
-Diluted (in Rs.)	**27A**	56.99	66.40

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership Number :206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Consolidated Financial Information

(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 3A: Restated Consolidated Summary Statements of Cash Flows

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flow from operating activities		
Restated profit before tax	**263.38**	**326.13**
Adjustment for		
Depreciation and amortisation expense	36.15	26.51
Loss on fixed assets sold / scrapped	0.01	3.25
Bad trade receivables, loans and advances written off	0.16	3.50
Finance costs	47.90	51.73
Provision for doubtful trade receivables	2.32	0.21
Preliminary expenses written off	0.26	1.40
Interest income	(2.72)	(0.52)
Dividend income	(0.60)	(6.41)
Profit on sale of fixed assets	-	(0.03)
Unrealised exchange fluctuation (net)	9.29	4.80
Operating profit before working capital changes	**356.15**	**410.57**
Adjustments for working capital changes		
Inventories	(36.26)	16.18
Trade receivables	(4.50)	19.46
Loans and advance and other assets	(13.32)	2.86
Trade payables and other liabilities	10.89	71.00
Cash generated from operations	**312.96**	**520.07**
Direct taxes paid (net of refunds)	(76.20)	(160.66)
Net cash flows generated from operating activities	**236.76**	**359.41**
Cash flow from investing activities		
Purchase of fixed assets	(63.90)	(38.58)
Proceeds from sale of fixed assets	-	1.11
Redemption / (investment) of / in mutual funds and other investments	(20.99)	324.87
Investments made	(0.10)	(695.61)
Deposit placed	(39.53)	0.08
Interest received	1.97	0.11
Dividend received	0.60	6.41
Net Cash flows (used-in) investing activities	**(121.95)**	**(401.61)**
Cash flow from financing activities		
Long-term borrowings availed during the year	-	350.00
Long-term borrowings repaid during the year	(61.80)	(2.50)
Interest paid	(48.82)	(49.14)
Dividends paid including dividend tax	(39.22)	(230.32)
Net cash provided by financing activities	**(149.84)**	**68.04**
Net increase in cash and cash equivalents	**(35.03)**	**25.84**
Cash and cash equivalents as at the beginning of the year	79.97	51.89
Add: Acquired on amalgamation (Refer Annexure 5A(d) & (l))	0.10	2.40
Less: Not considered as cash and cash equivalents	-	(0.08)
Cash and cash equivalents at the end of the year	**45.04**	**80.05**

The above statement should be read with the notes to restated consolidated summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Sathya P. Koushik

Partner

Membership Number: 206920

Place: Bengaluru

Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran

Director

DIN: 02505486

R. Ravindranath

Director

DIN: 00212085

Ganapathy Subramaniam

Chief Financial Officer

Kavita Manta

Company Secretary

Place: Bengaluru

Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 4A: Summary Statement of Adjustments to the Audited Consolidated Financial Statements

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Net profit for the year (as per audited financial statements) (A)		**172.58**	**200.67**
Restatement adjustments		**-**	**-**
Total effect of adjustments (B)		**-**	**-**
Net effect of increase in profit/ (loss) on adjustments after tax (C) = (A - B)		**-**	**-**
Net Profit for the year as restated (D) = (A + C)		**172.58**	**200.67**

(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

(a) Corporate information

MILLTEC Machinery Limited (Formerly known as MILLTEC Machinery Private Limited) ("Holding Company"), incorporated in 1998, is a Bangalore based manufacturer of rice milling equipment's. Milltec supplies equipment to the rice milling industry and has an established presence across the value chain from cleaning, dehusking, and polishing to grading. These consolidated financial information comprises of Holding Company and M.S.Sorters Private Limited, a subsidiary of the Company. The Holding Company and its Subsidiary Company are together referred to as ("Group").

(b) Basis of preparation and presentation of Restated Consolidated Financial Information

The Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2015 and 2014, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the year ended 31 March 2015 and 2014 and the Consolidated Summary of Significant Accounting Policies (collectively, the “Restated Consolidated Financial Information”) of the Group have been prepared solely for the purpose of preparation of the Restated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India (‘SEBI’) Act, 1992 (‘ICDR Regulations’) in connection to the proposed initial public offering of the Company, to be filed by the Company with SEBI, in accordance with the requirements of:

(i) Section 26 of the Companies Act, 2013;
(ii) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the “SEBI regulations”); and
(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time.

The Restated Consolidated Financial Information have been prepared by making necessary adjustments to the audited standalone financial statements of the Company as at and for the years ended March 31, 2015 and 2014 which were approved by the Board of Directors at their meetings held on September 25, 2015 and June 23, 2018, respectively.
The principal accounting policies are set out below. The Restated Consolidated Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions up to two decimals, except where otherwise indicated.

(c) Principles of consolidation

The consolidated financial information relate to the Group. The consolidated financial information have been prepared on the following basis:

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., 31 March.

The financial statements of the Holding Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting un realised profits or losses, unless cost cannot be recovered.

The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary company were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities. Goodwill arising on consolidation is not amortised but tested for impairment.

Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

Name of the entity	Relationship	Country of incorporation	%age of holding and voting power either directly or indirectly
M S Sorters Private Limited [refer Annexure 5A(d)]	Subsidiary	India	55%
Agri Power Engineering Solutions Private Limited (w.e.f. September 26, 2014)	Subsidiary	India	100%

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

(c) Principal accounting policies

Use of estimates

The preparation of the financial information in conformity with Indian GAAP requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known to materialise.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores & spares are valued at weighted average cost.
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Depreciation and Amortization

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013.

Assets costing less than Rs. 5,000/- each are fully depreciated in the year of capitalisation.

Intangible assets in the nature of software are written off over the estimated useful life of 5 years.

Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers in accordance with the arrangements with them.

Revenue from services, commission income, and consultancy services are recognised when services are rendered and related costs are incurred.

Interest income is recognised on time proportion basis at the applicable interest rates.

Dividend income is accounted for when the right to receive the same is established.

Foreign currency transactions

Transactions in foreign currency are recognised at the rate of exchange ruling on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities are restated at rates ruling at the year end and all exchange gains/losses arising there from are adjusted to the Statement of Profit and Loss.

Investments

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

Employee benefits

All short term employee benefits such as salaries, wages, bonus, medical benefits and compensated absences which fall due within twelve months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

Defined contribution plans

The Group has defined contribution plans for post-employment benefits namely provident fund. Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligations beyond making its contribution.

The Group makes contributions to state plans namely Employees' State Insurance Fund and Employees' Pension Scheme, 1995 and has no further obligation beyond making the payment to them.

The Group's contributions to the above funds are charged to revenue every year.

Defined benefit plan

Liability for gratuity is funded in terms of a scheme administered by Life Insurance Corporation of India and is determined by actuarial valuation carried out by an independent actuary using Projected Unit Credit method at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet under Short-term provisions. The Company's contribution to the above funds are charged to revenue every year. The liability in respect of M.S. Sorters Private Limited is unfunded.

Other employee benefits

Other employee benefit in the nature of compensated absences is recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Provision for estimated liability is made on the basis of actuarial valuation using the Projected Unit Credit method and is not funded .Actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Provisions and Contingent liabilities

A Provision is recognised when the Group has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are not recognised in the financial statements.

Operating Cycle

Based on the nature of products/activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group Company has determined its operating cycle as twelve months for the purpose of classification of assets and liabilities as current and noncurrent.

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

(d) Acquisition of MIPL and MOPL and merger of the same with the Company

During the year ended 31 March 2014, the Company entered into share purchase agreement with erstwhile shareholders of M/s Milltec Industries Bangalore Private Limited (MIPL) and M/s Milltec Outsourcing Private Limited (MOPL) for buying out the entire share capital of these entities. The consideration payable by the Company under these arrangements aggregated as follows:

In the case of MIPL, 500,000 shares were purchased at Rs. 580 Million and the balance 500,000 shares were purchased at Rs. 117.90 Million aggregating the consideration to Rs. 697.90 Million.

In the case of MOPL, 2,000,000 shares were purchased at Rs. 31.60 Million.

The above consideration has been settled to the extent stated below:

In respect of purchase of shares of MIPL, the consideration was to be settled by the Company by way of cash aggregating to Rs. 584 Million to the erstwhile shareholders and the balance of Rs. 33.90 Million to be settled by way of issued of 61,224 shares in the Company. As at 31 March 2014, the cash component stated above has been paid to the erstwhile shareholders and an amount of Rs. 33.90 Million has been carried as a long-term liability in the books of the Company representing the amount to be settled by the issue of the shares.

In respect of purchase of shares of MOPL, the Consideration has been paid out during the year ended 31 March 2014. Pursuant to the above arrangement, MIPL and MOPL became subsidiaries of the Company.

MIPL was engaged in the manufacture of machines used for cleaning, grading, sorting, milling of seeds and grains and predominantly acting as a captive manufacturer for the Transferee Company. MOPL was engaged in providing consultancy services.

Subsequent to the above acquisitions, the Board of Directors of the Company (hereinafter referred to as the "Transferee Company") and that of MIPL and MOPL (together referred to as the "Transferor Companies") approved a scheme of arrangement under which the Transferor Companies were to be merged with the Transferee Company with an appointed date of 01 April 2013. The scheme was approved by the Honourable High Court of Karnataka vide Order dated 08 April 2014. Pursuant to the above, the Transferor Companies have merged with the Transferee Company upon which the undertaking and the entire business including all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under the Purchase method and the assets and liabilities transferred have been recorded at their fair value as determined by the Board of Directors of the Transferee Company. The Scheme approved by the Honourable High Court of Judicature was effective on 22 April 2014 ('the effective date') being the date on which all the formalities have been completed.

The Transferor Companies were wholly owned subsidiaries of the Transferee Company and the Transferee Company along with nominee shareholders held all the shares issued by the Transferor Companies. Hence, on the amalgamation of the Transferor Companies with the Transferee Company, no shares of the Transferee Company were issued or allotted in respect of the holding of the Transferee Company in the Transferor Companies and the entire equity share capital of the Transferor Companies held by the Transferee Company along with the nominee shareholders stood cancelled.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 5A: Consolidated Summary Statement of Significant Accounting Policies and Explanatory Notes

Acquisition of MIPL and MOPL and merger of the same with the Company (continued)

The fair value of assets and liabilities of the Transferor Companies acquired by the Transferee Company and the treatment of difference between the net assets acquired and cost of the investments by the Transferee Company in the Transferor Companies is as follows:

Particulars	MIPL	MOPL
Fixed assets		
Plant and machinery	55.17	-
Tools and equipment	5.79	-
Furniture and fittings	0.65	-
Computers	0.28	-
Office equipment	1.13	-
Vehicles	0.01	
Land and building	180.10	-
	243.13	**-**
Other assets		
Non-current investments	-	11.00
Long term loans and advances	0.44	-
Current investments	10.66	43.50
Other non current assets	-	8.34
Inventories	80.20	-
Trade receivables	27.86	-
Cash and cash equivalents	2.40	-
Short-term loans and advances	21.82	-
Deferred tax assets (net)	1.60	-
	144.98	**62.84**
Total assets	**388.11**	**62.84**
Less: Liabilities		
Long-term borrowings	3.10	17.10
Current liabilities	72.68	5.84
	75.78	**22.94**
Net assets	**312.33**	**39.90**
Less: Purchase consideration	697.90	31.60
Goodwill / (capital reserve)	**385.57**	**(8.30)**

Pursuant to the Scheme, Goodwill of Rs. 385.57 Million has been written off to the General Reserve to the extent available (of Rs. 63.57 Million) and the balance against the Surplus in the Statement of Profit and Loss (to the extent of Rs. 322 Million).

Consequent to merger of above entities, with effect from the appointed date of merger, M S Sorters Private Limited ('MSPL') became subsidiary of the Company.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

(e) Contingent liabilities and commitments

Particulars	As at March 31, 2015	As at March 31, 2014
Contingent liabilities		
Pertaining to labour matters	3.78	3.78
Commitments		
Letter of credits discounted with banks	9.00	95.59
Estimated amount of contracts to be executed on capital account and not provided for	18.87	9.83

(f) Employee benefits

The disclosure requirements in respect of Accounting Standard 15 “Employee benefits” are as given below.

Defined contribution plans:
Employer’s contribution to provident fund and pension scheme and employees’ state insurance

During the year, the Group has recognized the following amounts in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer’s contribution to provident fund and pension scheme *	5.00	2.84
Employer’s contribution to employees state insurance corporation	1.22	1.03

* Included in “Contributions to provident and other funds”

Defined benefit plan:
Actuarial valuation was carried out as at 31 March 2014 and the relevant disclosures in this regard are as follows:-

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Components of employer expense		
Current service cost	2.71	2.53
Interest cost	1.33	0.56
Expected return on plan assets	(0.69)	(0.43)
Curtailment cost/(credit)	-	-
Actuarial losses/(gains)	2.31	3.52
Total expense recognised in the Statement of Profit and Loss	**5.66**	**6.18**
Net asset/(liability) recognised in Statement of Assets and Liabilities		
Present value of defined benefit obligation (DBO)	18.12	12.25
Fair value of plan assets	10.65	8.29
Funded status [surplus/(deficit)]	**(7.47)**	**(3.96)**
Unrecognized past service costs	-	-
Net (asset)/ liability recognised in Statement of Assets and Liabilities	**(7.47)**	**(3.96)**
Current	(2.00)	(1.00)
Non-current	(5.47)	(2.96)
Total asset / (liability) recognised in the Statement of Assets and Liabilities	**(7.47)**	**(3.96)**
Change in defined benefit obligations		
Present value of DBO at beginning of period	12.25	4.47
Current service cost	2.71	2.53
Interest cost	1.33	0.56
Actuarial (gains)/ losses	2.26	3.90
Benefits paid	(0.43)	(0.22)
Liabilities assumed on acquisition	-	1.01
Present Value of DBO at the end of period	**18.12**	**12.25**
Change in fair value of assets		
Plan assets at beginning of period	8.29	5.35
Expected return on plan assets	0.69	0.44
Actual contributions	2.14	0.61
Benefits paid	(0.43)	(0.22)
Actuarial gains/ (losses)	(0.04)	0.38
Assets acquired on amalgamation	-	1.73
Plan assets at the end of period	**10.65**	**8.29**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Actuarial assumptions used in valuation of gratuity and compensated absences		
Discount rate	8.10%	9.05%
Expected return on plan assets	8.00%	8.00%
Salary escalation	10.00%	10.00%
Withdrawal rate		
Age (years 21-30)	2.00%	2.00%
Age (years 31-59)	1.00%	1.00%
Retirement age (years)	60	60
Mortality: Indian Assured Lives Mortality (2006-08) Ultimate		

Experience adjustments

	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	18.12	12.25
Plan assets	10.65	8.29
(Surplus) / Deficit	7.47	3.96
Experience adjustments on plan liabilities	(0.63)	0.90
Experience adjustments on plan assets	(0.04)	0.38

Composition of the plan assets as made available by Life Insurance Corporation of India, the fund manager.

Category of Investments	As at March 31, 2015	As at March 31, 2014
Central Government Securities	3.34	2.60
State Government Securities	1.14	0.89
Other Approved Securities (Government Guaranteed Securities)	0.14	0.11
Debentures and Bonds	4.56	3.55
Equity Shares	0.56	0.43
Fixed Deposits	0.89	0.69
CBLO (Money Market Instruments)	0.02	0.02
Total	10.65	8.29

The Group is expected to contribute Rs.2 Million to the gratuity fund for the year ending 31 March 2016.

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Compensated absences

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Amount charged to Statement of Profit and Loss in the year	4.60	5.22
Net liability	9.87	6.01

(g) Segment reporting

The Group is primarily engaged in selling rice milling related equipments, spares and services and the majority of the revenues are generated within India. As such the Group's business activity primarily falls within a single business segment based on the nature of activity involved, which is in line with the business risks attached with the segment, having regard to the internal organisation and Management structure. Accordingly, primary reporting disclosures for business segment, as envisaged in Accounting Standard 17 "Segment Reporting" is not applicable.

(Amount in Rupees Millions except share data or as otherwise stated)

(h) Leases

The Group has taken and given certain premises under operating leases on cancellable basis.

The total lease rent debited to the Statement of Profit and Loss is Rs. 1.99 Million [Previous year Rs. 1.76 Million] and is disclosed as rent in other expenses. The lease is renewable by mutual consent and there are no contingent rent payments. There are no sub-leases payments received / receivable. There is no purchase option in the lease agreements

(i) Details of provisions

Particulars	**Probable outflow estimated with in One Year**	**1-Apr-14**	**Additions**	**Utilisation**	**Reversal (withdrawn as no longer required)**	**31-Mar-15**
Provision for warranty		7.00	10.70	12.30	-	5.40
Previous year		-	*7.00*	-	-	7.00

(j) The Company had entered into contracts with private limited companies in which two of the directors of the Company are interested which required prior approval of the Central Government under section 297 of the Companies Act, 1956, for which the Company has received a compounding order from appropriate authorities for the period up to 15 August 2013. The Company has obtained Central Government approval for the period from 16 August 2013 to 15 August 2016 in respect of such transactions.

(k) Certain trade receivables referred to in Annexure 21A are covered by letters of credit / bank guarantees.

(l) During the year, the Holding Company purchased shares of Agri Power and Engineering Solutions Private Limited for a consideration of Rs. 0.10 Million. Details of assets acquired and liabilities assumed are as follows:

Particulars	**Assets / (liabilities)**
Cash	3.33
Liabilities	(3.23)
Net cash acquired disclosed in statement of cash flows	0.10

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 6A: Restated Consolidated Summary Statement of Share Capital

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
6,100,000 (2014: 6,100,000) Equity Shares of Rs.10 each	61.00	61.00
Issued, Subscribed and Paid up		
3,061,224 (2014: 3,000,000) Equity Shares of Rs.10 each	30.61	30.00

Reconciliation of number of shares outstanding at the beginning and at the end of year:

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of shares	
Balance as at the beginning of the year	3,000,000	3,000,000
Movement during the year	61,224	-
Balance outstanding as at the end of the year	**3,061,224**	**3,000,000**

Rights, preferences and restrictions attached to shares:
The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	%	Number of shares	%
Mr. J. Rajendran	630,612	20.60%	600,000	20.00%
Mr. R. Ravindranath	630,612	20.60%	600,000	20.00%
M/s. Multiples Private Equity Fund	382,050	12.48%	382,050	12.74%
M/s. Multiples Private Equity Fund I Limited	1,117,950	36.52%	1,117,950	37.27%

Information regarding issue of shares in the last five years
(a) The Company had reserved 61,224 equity shares as at March 31, 2014 for issuance in connection with acquisition of shares in MIPL which has merged with the Company, and the same has been issued during the year ended March 31, 2015 (Refer Annexure 5A(d)).
(b) The Company has not undertaken any buy-back of shares.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 7A: Restated Consolidated Summary Statement of Reserves and Surplus

Particulars	As at March 31, 2015	As at March 31, 2014
General reserve		
Opening balance	-	63.57
	-	**63.57**
Less: Adjustment on merger. (Refer Annexure 5A(d))		(63.57)
Closing balance	-	-
Capital Subsidy	**0.48**	**0.48**
Capital Reserve (arising on merger)	**8.30**	**8.30**
Securities premium account		
Opening balance	-	-
Add: Equity shares issued during the year	33.29	-
Closing balance	**33.29**	-
Surplus in Statement of Profit and Loss		
Opening balance	209.61	332.46
Add: Profit for the year	172.58	200.67
Less: Interim dividend	(33.53)	-
Tax on dividend (refer note below)	(6.70)	(1.52)
Adjustment on merger: (Refer Annexure 5A(d))	-	(322.00)
Closing balance	**341.96**	**209.61**
Total	**384.03**	**218.39**

Notes:

(i) In terms of the Articles of Association of the Company, shareholders may waive their rights to receive dividends paid by the Company. Pursuant to the above, certain shareholders of the Company holding 1,500,000 shares have irrevocably and unconditionally waived their rights to dividends that the Company may declare in the period September 1, 2014 to December 31, 2014. Accordingly, dividends declared in the said period amounting to Rs. 22.35 per share has not been accrued to the extent of 1,500,000 shares referred above. Also refer Note A below.

(ii) Tax on dividend of Rs.1.52 Million during the year ended 31 March 2014 relates to short provision for dividends during the year ended 31 March 2013.

Note A: Restated Consolidation Summary Statement of Dividend Paid / Proposed by the Company

Particulars	As at March 31, 2015	As at March 31, 2014
Equity shares		
Number of shares	3,061,224	3,000,000
Face value (Rs.)	10.00	10.00
Amount	30.61	30.00
Final dividend		
Rate of dividend (%)	223.50	-
Dividend per Share (Rs.)	22.35	-
Amount of dividend	33.53	-
Corporate dividend tax	6.7	-

Annexure 7A(i) Restated Consolidated Summary of Minority Interest

The minority interest included in these restated consolidated financial statements relate to 45% equity interest held by Sea S.R.L, in M S Sorters Private Limited. Losses incurred in this entity in excess of the equity contribution of Rs. 9 Million made by Sea S.R.L has been absorbed by the Holding Company in these restated consolidated financial statements in accordance with the provision of the Accounting Standard 21 "Consolidated financial statements".

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 8A: Restated Consolidated Summary Statement of Long-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Secured loans		
Term loans from financial institutions (Refer note below)	197.50	265.74
Total	**197.50**	**265.74**
Current maturities of long-term debt	**88.20**	**81.76**
Total	**285.70**	**347.50**

Term loan balance as at 31 March 2015 consist of:

Term loan 1 - Rs. 177.56 Million (2014: 265.74 Million): has been availed at an interest rate of 12.6% and is repayable within 42 months from the date of disbursement in 14 quarterly instalments. This loan has been secured on the hypothecation of inventory and receivables and all other current assets of the Company.

Term loan 2 - Rs. 19.94 Million (2014: Rs. Nil): has been availed at an interest rate of 12.6% per annum and is repayable within 36 months (including moratorium of 2 months) from the date of disbursement in 34 monthly instalments. This loan has been secured by hypothecation of the assets to be purchased using the said term loan.

The above term loans are collaterally secured by the land and building and unencumbered plant and machinery of the Company.

Annexure 9A: Restated Consolidated Summary Statement of Other long term liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Payable on acquisition of shares (Refer Annexure 5A(d))	-	33.90
Total	**-**	**33.90**

Annexure 10A: Restated Consolidated Summary Statement of Long-term provisions

Particulars	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits:		
Compensated absences	-	0.16
Gratuity	5.47	2.96
Total	**5.47**	**3.12**

Annexure 11A: Restated Consolidated Summary Statement of Trade payables

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables		
Other than acceptance	292.68	253.99
Total	**292.68**	**253.99**

Annexure 12A: Restated Consolidated Summary Statement of Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt (Refer Annexure 8A)	88.20	81.76
Interest accrued but not due on borrowings	2.03	2.95
Other payables		
Statutory remittances	6.41	11.55
Payables on purchase of fixed assets	0.98	0.09
Advances from customers	82.83	101.57
Total	**180.45**	**197.92**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 13A: Restated Consolidated Summary Statement of Short-term provisions

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Provision for employee benefits		
Compensated absences	9.87	5.85
Gratuity	2.00	1.00
Provision for others		
Provision for tax (net of advance tax)	14.68	-
Tax on proposed dividends	1.01	-
Warranty	5.40	7.00
Total	**32.96**	**13.85**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 14A: Restated Consolidated Summary Statement of Fixed Assets

Particulars	Gross block					Accumulated depreciation and amortisation				Net block
	As at 1-Apr-14	Acquisitions through business combinations (Refer Annexure 5A(d))	Additions	Disposals	As at 31-Mar-15	As at 1-Apr-14	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	As at 31-Mar-15	As at 31-Mar-15
Tangible assets (Owned)										
Freehold land	125.34	-	-	-	125.34	-	-	-	-	125.34
	14.45	*110.43*	*0.46*	-	*125.34*	-	-	-	-	*125.34*
Buildings	139.94	-	0.60	-	140.54	38.13	9.68	-	47.81	92.73
	69.43	*69.67*	*0.84*	-	*139.94*	*26.85*	*11.28*	-	*38.13*	*101.81*
Plant and machinery	64.16	-	44.63	0.01	108.78	13.99	12.70	0.01	26.68	82.10
	9.95	*55.17*	*2.01*	*2.97*	*64.16*	*5.35*	*9.07*	*0.43*	*13.99*	*50.17*
Electrical equipments	3.96	-	-	-	3.96	1.84	0.38	-	2.22	1.74
	4.24	-	*0.01*	*0.29*	*3.96*	*1.68*	*0.39*	*0.23*	*1.84*	*2.12*
Tools and Patterns	22.20	-	7.01	-	29.21	9.86	2.83	-	12.69	16.52
	16.43	*5.79*	*1.47*	*1.49*	*22.20*	*8.42*	*2.40*	*0.96*	*9.86*	*12.34*
Furniture and fixtures	8.15	-	0.49	-	8.64	4.21	1.20	-	5.41	3.23
	5.28	*0.65*	*2.27*	*0.05*	*8.15*	*3.48*	*0.77*	*0.04*	*4.21*	*3.94*
Office equipment	5.38	-	1.58	-	6.96	1.70	0.82	-	2.52	4.44
	2.80	*1.13*	*1.78*	*0.33*	*5.38*	*1.35*	*0.52*	*0.17*	*1.70*	*3.68*
Vehicles	7.73	-	-	-	7.73	6.90	0.74	-	7.64	0.09
	14.40	*0.01*	-	*6.68*	*7.73*	*12.33*	*0.33*	*5.76*	*6.90*	*0.83*
Computers	11.12	-	5.43	0.01	16.54	8.75	4.21	0.01	12.95	3.59
	11.42	*0.28*	*1.20*	*1.78*	*11.12*	*9.18*	*1.26*	*1.69*	*8.75*	*2.37*
R & D equipments	3.56	-	3.78	-	7.34	0.44	1.89	-	2.33	5.01
	-	-	*3.56*	-	*3.56*	-	*0.44*	-	*0.44*	*3.12*
Total	**391.54**	**-**	**63.52**	**0.02**	**455.04**	**85.82**	**34.45**	**0.02**	**120.25**	**334.79**
Previous year	***148.40***	***243.13***	***13.60***	***13.59***	***391.54***	***68.64***	***26.46***	***9.28***	***85.82***	***305.72***

Particulars	Gross block					Accumulated depreciation and amortisation				Net block
	As at 1-Apr-14	Acquisitions through business combinations (Refer Annexure 5A(d))	Additions	Disposals	As at 31-Mar-15	As at 1-Apr-14	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	As at 31-Mar-15	As at 31-Mar-15
Intangible assets (Other than internally generated)										
Copyrights, patents and other intellectual property rights, services and operating rights	2.02	-	-	-	2.02	1.85	0.17	-	2.02	-
	2.02	-	-	-	*2.02*	*1.80*	*0.05*	-	*1.85*	*0.17*
Software	-	9.21			9.21	-	1.53	-	1.53	7.68
	-	-	-	-	-	-	-	-	-	-
Goodwill		385.57		385.57	-	-	-	-	-	-
Total	**2.02**	**394.78**	**-**	**385.57**	**11.23**	**1.85**	**1.70**	**-**	**3.55**	**7.68**
Previous year	***2.02***	***-***	***-***	***-***	***2.02***	***1.80***	***0.05***	***-***	***1.85***	***0.17***

Note

(i) Previous year figures are in italics.

(ii) All above assets are owned and used by the Group.

(iii) Pursuant to the transition prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets where the remaining useful life of the fixed assets was determined to be Nil as at April 01, 2014.The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 4.36 million consequent to the change in the useful life of the assets.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 15A: Restated Consolidated Summary Statement of Non-current Investments

Particulars	As at March 31, 2015	As at March 31, 2014
Other investments		
Investments in Government bonds (Quoted)	1.24	1.24
1,236 units (PY:1,236) of 8.2% 2022 tax free bonds of National Highways Authority of India of Rs. 1,000/- each		
Total	**1.24**	**1.24**
Aggregate value of quoted investments	1.24	1.24
Aggregate market value of quoted investments	1.35	1.29

Annexure 16A: Restatement Consolidated Summary Statement of Deferred tax assets/(liabilities)

Particulars	As at March 31, 2015	As at March 31, 2014
Timing differences:		
Fiscal allowance on fixed assets	0.14	2.20
Employee benefits	5.58	3.20
Provision for warranty and doubtful trade receivables	2.73	2.40
Total	**8.45**	**7.80**

Annexure 17A: Restated Consolidated Summary Statement of Long term loans and advances

Particulars	As at March 31, 2015	As at March 31, 2014
Capital advances	15.00	16.55
Loan to related parties		-
Income tax payments (net of provisions)	11.42	14.09
Deposits	0.24	-
Balances with government authorities		
VAT credit receivable	36.65	42.17
Total	**63.31**	**72.81**
Long term loans and advances include amounts due from		
Firm in which director of the Company is a partner		
Turbo Power and Engineering Solutions	15.00	15.00

Annexure 18A: Restated Consolidated Summary Statement of Other Non current assets

Particulars	As at March 31, 2015	As at March 31, 2014
Balances held as margin money against guarantees	0.95	-
Total	0.95	-

Annexure 19A: Restated Consolidated Summary Statement of Current Investments

Particulars	As at March 31, 2015	As at March 31, 2014
Current investments in mutual funds (quoted)		
SBI Ultra Short term debt fund - Regular Plan - Daily dividend	15.03	0.30
SBI SHF - Ultra Short term Fund - Institutional Plan - Daily dividend	-	0.49
SBI Premier Liquid Fund - Regular Plan - Daily dividend	10.27	3.52
Total	**25.30**	**4.31**
Aggregate book value of quoted investments	25.30	4.31
Aggregate market value of quoted investments	25.30	4.31

Annexure 20A: Restated Consolidated Summary Statement of Inventories

Particulars	As at March 31, 2015	As at March 31, 2014
Raw materials	73.30	102.97
Work-in-progress/Semi finished goods	182.39	109.93
Finished goods	16.39	3.41
Stores and Spares	0.44	19.96
Total	**272.52**	**236.27**

Note: Details of inventory of work-in-progress/Semi Finished Goods

Particulars	As at March 31, 2015	As at March 31, 2014
Parts and components of machinery	182.39	109.93

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 21A: Restated Consolidated Summary Statement of Trade Receivables

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
Unsecured, considered good	36.26	1.82
Unsecured, considered doubtful	2.32	0.22
	38.58	**2.04**
Less: Provision for doubtful trade receivables	(2.32)	(0.22)
	36.26	**1.82**
Other trade receivables		
Unsecured, considered good	242.30	285.66
Unsecured, considered doubtful	-	-
	242.30	**285.66**
Less: Provision for doubtful trade receivables	-	-
	242.30	**285.66**
Total	**278.56**	**287.48**

Annexure 22A: Restated Consolidated Summary Statement of Cash and cash equivalents

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Cash on hand	0.09	0.05
Balances with banks		
In current accounts	35.31	79.52
In deposit accounts	9.64	0.40
In earmarked accounts - balance held as margin money against guarantees	39.61	0.08
Total	**84.65**	**80.05**
Balances with banks include deposits with remaining maturity of more than 12 months from the Balance Sheet date not considered as cash and cash equivalents	39.61	0.08

Annexure 23A: Restated Consolidated Summary Statement of Short-term loans and advances

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Security deposits	3.01	1.93
Loans and advances to employees	2.38	0.15
Prepaid expenses	2.23	5.89
Advance to suppliers	-	1.99
Balances with government authorities		
VAT credit receivable	19.60	-
Others	16.00	0.90
Total	**43.22**	**10.86**

Annexure 24A: Restated Consolidated Summary Statement of Other current assets

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Interest accrued on deposits with banks and on bonds	0.95	0.20
Others		
Others Receivables	0.01	1.30
Rent receivable	-	0.25
Total	**0.96**	**1.75**

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Consolidated Financial Information

(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 25A: Restated Consolidated Summary Statement of Operational Income and Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from operations		
Sale of products (Refer Note (i))	1,669.13	1,813.84
Sale of services (Refer Note (ii))	27.01	30.96
Other operating revenues		
Sale of scrap	9.46	11.18
Packing and forwarding charges	19.62	21.80
Agency commission	2.82	-
Consultancy charges	-	0.37
Total	**1,728.04**	**1,878.15**
Note (i): Sale of products comprises of:		
Machinery and spares	1,651.14	1,807.59
Traded item and others	17.99	6.25
Total	**1,669.13**	**1,813.84**
Note (ii): Sale of services comprises of:		
Erection and commissioning	21.12	25.52
Labour charges	5.89	5.44
Total	**27.01**	**30.96**
II. Expenses		
Cost of material consumed		
Opening stock	122.93	78.13
Add: Acquisition on merger (Refer Annexure 5A(d))	-	28.03
Add: Purchases	923.66	933.07
	1,046.59	**1,039.23**
Less: Closing stock	73.75	122.93
Total	**972.84**	**916.30**
Material consumed comprises of:		
Motors of different specifications	73.75	121.59
Other items	899.09	794.71
Total	**972.84**	**916.30**
Purchase of stock-in-trade		
Stock-in-trade	13.56	4.47
Total	**13.56**	**4.47**
Changes in inventories of work-in-progress and semi-finished goods		
Inventories at the end of the year:		
Work-in-progress/Semi finished goods	182.39	109.93
Finished goods	16.39	3.41
	198.78	**113.34**
Inventories at the beginning of the year:		
Work-in-progress/Semi finished goods	109.93	86.32
Finished goods	3.41	-
Add: Acquisition on merger (work-in-progress) (Refer Annexure 5A(d))	-	52.17
	113.34	**138.49**
Net (increase) / decrease	**85.44**	**(25.15)**
Employee benefits expense		
Salaries and wages	182.26	155.64
Contributions to provident and other funds	10.66	9.02
Staff welfare expenses	12.04	12.40
Total	**204.96**	**177.06**

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Consolidated Financial Information

(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 25A: Restated Consolidated Summary Statement of Operational Income and Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Other expenses		
Packing materials	16.82	18.51
Job work charges	30.84	31.07
Power, fuel and water	13.18	11.09
Security expenses	4.43	3.99
Contract and Processing Charges	59.98	51.35
Rent	1.99	1.76
Repairs and maintenance		
Buildings	1.69	1.79
Machinery	4.40	3.69
Others	10.61	10.62
Insurance	1.01	0.95
Rates and taxes	7.62	13.16
Communication	6.92	5.87
Travelling and conveyance	32.22	23.83
Printing and stationery	2.40	2.20
Freight and forwarding	2.22	1.39
Sales commission	54.71	67.40
Business promotion	9.46	6.67
Legal and professional	9.41	74.13
Payments to auditors (Note (i))	2.00	2.47
Provision for doubtful loans and advances	-	0.36
Bad trade receivables, loans and advances written off	0.16	3.14
Provision for doubtful trade receivables	2.32	0.21
Warranty	10.70	7.00
Sales Discount	-	0.10
Bank charges	1.32	1.39
Loss on fixed assets sold / scrapped	0.01	3.28
Research related expenses	0.71	1.64
Net loss / (gain) on foreign currency transactions and translations		8.77
Preliminary expenses written off	0.26	1.40
Royalty	0.42	0.85
Miscellaneous expenses	1.79	2.19
Total	**289.60**	**362.27**

Note (i)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
(i) Payments to the auditors comprise		
(a) To statutory auditors		
For statutory audit	1.75	1.70
For other services	-	0.50
Reimbursement of expenses (including service tax)	0.25	0.27
Total	2.00	2.47

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Consolidated Financial Information

(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 25A: Restated Consolidated Summary Statement of Operational Income and Expenses

II. Expenses contd.,

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Finance costs		
(a) Interest expense on:		
Borrowings	44.16	37.56
Delayed / deferred payment of income tax	-	1.68
Others (Bill discounting charges)	3.74	12.49
(b) Other borrowing costs	2.39	2.02
Total	**50.29**	**53.75**

Annexure 26A: Restated Consolidated Summary Statement of Other Income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income (Refer note (i) below)	2.72	0.52
Dividend income	0.60	6.41
Net gain on foreign currency transactions and translation	12.86	2.48
Other non-operating income (net of expenses directly attributable to such income (refer note (ii) below)	1.12	4.08
Total	**17.30**	**13.49**
Note (i)		
Interest income		
Interest from deposits with bank	2.62	0.42
Interest from National Highway Authority of India bonds	0.10	0.10
Total	**2.72**	**0.52**
Note (ii)		
Profit on sale of fixed assets	-	0.03
Miscellaneous income	1.12	4.05
Total	**1.12**	**4.08**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 27A: Restated Consolidated Summary Statement of Accounting Ratios

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Basic and Diluted Earnings Per Share (Rs.)		
Basic Earnings Per Share (Basic EPS)		
Net profit after tax, as restated, attributable to equity shareholders	172.58	200.67
Weighted average number of Equity Shares outstanding (pre-bonus issue)	3,028,348	3,000,000
Bonus Issue (Refer Note-A below)	6,942,776	6,942,776
Weighted average number of Equity Shares outstanding (post-bonus issue)	9,971,124	9,942,776
Basic EPS in Rs. (pre-bonus issue)	56.99	66.89
Basic EPS in Rs. (post-bonus issue) Refer Note-A below	17.31	20.18
Face value in Rs.	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)		
Net profit after tax, as restated, attributable to equity shareholders	172.58	200.67
Weighted average number of equity shares outstanding (Basic)	3,028,348	3,000,000
Effect of Dilution	-	-
Weighted average number of equity shares outstanding (Diluted) (pre-bonus issue)	3,028,348	3,021,973
Weighted average number of equity shares outstanding (Diluted) (post-bonus issue) Refer Note-A below	9,971,124	9,942,776
Diluted EPS in Rs. (pre-bonus issue)	56.99	66.40
Diluted EPS in Rs. (post-bonus issue) Refer Note-A below	17.31	20.18
Face value in Rs.	10.00	10.00
Return on Net worth		
Net profit after tax, as restated	172.58	200.67
Net worth, as restated	406.34	240.09
Return on net worth	**42.47%**	**83.58%**
Net Asset Value Per Equity Share (Rs.)		
Net asset value (Net-worth), as restated	406.34	240.09
Number of adjusted equity shares outstanding at the year end (pre-bonus issue)	3,061,224	3,000,000
Number of adjusted equity shares outstanding at the year end (post-bonus issue) Refer Note-A below	10,004,000	9,942,776
Net assets value per equity share (Rs.) (pre-bonus issue)	**132.74**	**80.03**
Net assets value per equity share (Rs.) (post-bonus issue) Refer Note-A below	**40.62**	**24.15**

The ratios have been computed as per the following formulae:
(i) Basic and Diluted Earnings per Share:

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV):

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%):

$$\frac{\text{Net Profit after tax, as restated for the year}}{\text{Net worth (refer below), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve, capital reserve arising from amalgamation, where applicable), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note-A: Bonus Issue:
The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 28A: Consolidated Statement of Transactions with Related parties and balances
List of related parties:

Description of relationship	Names of related parties
Key managerial personnel (KMP)	J. Rajendran R. Ravindranath V. G. N Prakash (till 05 June 2013) V. Ramanaiah (till 05 June 2013)
Relatives of KMP	R. Uma, wife of Mr. R Ravindranath R. Manjula, wife of Mr. R. Rajendran M. Jyothi Rani, wife of Mr. V. G. N Prakash (related party till 05 June 2013) B. A. Gayathri Devi, wife of Mr. V. Ramanaiah (related party till 05 June 2013)
Enterprises in which KMP has control	Turbo Power and Engineering Solutions (TPES) Agri Power and Engineering Solutions Private Limited (APESPL) (incorporated on 14 August 2013) (till September 25, 2014, post which, the entity has become a subsidiary) Milltec Outsourcing Private Limited (MOPL) (merged with effect from 01 April 2013) Milltec Industries Bangalore Private Limited (MIPL) (merged with effect from 01 April 2013)
Parties holding more than 20% of the equity share capital of the Company	J. Rajendran R. Ravindranath Multiples Private Equity Fund and Multiples Private Equity Fund I (together "Multiples Group")
Party exercising significant influence in a subsidiary	Sea S.R.L.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 28A: Consolidated Statement of Transactions with Related parties and balances

Particulars of transaction and balances with	KMP		Relatives of KMP		Enterprise in which KMP has control		Party exercising significant influence in a subsidiary	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Remuneration								
J. Rajendran	15.74	16.33	-	-		-	-	-
R. Ravindranath	15.74	16.48	-	-		-	-	-
V.G.N. Prakash (till 5 June 2013)	-	3.26	-	-		-	-	-
V. Ramanaiah (till 5 June 2013)	-	3.32	-	-		-	-	-
R. Uma	-	-	-	0.52		-	-	-
R. Manjula	-	-	-	0.52		-	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	0.52		-	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	0.52		-	-	-
Dividend								
J. Rajendran	-	39.37	-	-		-	-	-
R. Ravindranath	-	39.37	-	-		-	-	-
V.G.N. Prakash (till 5 June 2013)	-	39.37	-	-		-	-	-
V. Ramanaiah (till 5 June 2013)	-	39.37	-	-		-	-	-
R. Uma	-	-	-	9.84		-	-	-
R. Manjula	-	-	-	9.84		-	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	9.84		-	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	9.84		-	-	-
Interest on un secured loan								
J. Rajendran	-	0.01	-	-		-	-	-
R. Ravindranath	-	0.01	-	-		-	-	-
V.G.N. Prakash (till 5 June 2013)	-	0.01	-	-		-	-	-
V. Ramanaiah (till 5 June 2013)	-	0.01	-	-		-	-	-
R. Uma	-	0.001	-	-		-	-	-
R. Manjula	-	0.001	-	-		-	-	-
M. Jyothi Rani (till 5 June 2013)	-	0.001	-	-		-	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	0.001	-	-		-	-	-
Buyout of Equity Shares								
J. Rajendran	-	25.20	-	-		-	-	-
R. Ravindranath	-	25.20	-	-		-	-	-
R. Manjula	-		-	16.80		-	-	-
R. Uma	-		-	16.80		-	-	-
V.G.N. Prakash (till 5 June 2013)	-	174.00	-	-		-	-	-
V. Ramanaiah (till 5 June 2013)	-	174.00	-	-		-	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	116.00		-	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	116.00		-	-	-
Purchases	-	-	-	-	-	-	13.21	19.20
Royalty	-	-	-	-	-	-	0.32	0.89
Trade payables	-	-	-	-	-	-	47.66	55.87
Trade receivables	-	-	-	-	-	-	-	-
Rental deposit taken	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	0.25	-	-
						(APESPL)		
Capital advance					15.00	15.00	-	-
					(TEPS)	(TEPS)		
Trade payables	-	-	-	-		-		
Inter-corporate deposits given	-	-	-	-		-		
Amount payable to Directors								
J. Rajendran	-	16.95	-	-	-	-	-	-
R. Ravindranath	-	16.95	-	-	-	-	-	-

Transactions with parties holding more than 20% of the equity share capital of the Company - Dividend paid	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Multiples Private Equity Fund	8.54	-
Multiples Private Equity Fund I	24.99	-

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Consolidated Financial Information
(Amount in Rupees Millions except share data or as otherwise stated)

Annexure 29A: Restated Consolidated Summary Statement of Tax Shelters

Particulars		**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Profit before tax as restated	**(A)**	263.38	326.13
Normal tax rate (%)	**(B)**	33.99%	33.99%
Tax expense	**(C)**	89.52	110.85
Adjustments			
Permanent differences			
Expenses disallowed under Income Tax Act, 1961		0.23	7.68
Dividend/income exempt under the Income Tax Act, 1961		(0.45)	(6.61)
Tax credit not availed on losses of a subsidiary		2.50	23.62
Total	**(D)**	**2.28**	**24.69**
Timing Differences			
Difference between book depreciation and tax depreciation		(6.07)	1.48
Provision for doubtful debts		2.32	-
Employee benefits disallowed u/s 43B of the Income Tax Act, 1961			
Gratuity		3.05	3.95
Compensated absence		3.64	5.98
Warranty provision		(1.60)	7.00
Total	**(E)**	**1.34**	**18.41**
Net Adjustment (D+E)	**(F)**	**3.62**	**43.10**
Tax expense / (saving) thereon on the net adjustment	**(G)**	1.23	14.65
Tax expense / (saving) derived per above (C+G)	**(H)**	90.75	125.50
Other adjustments	**(I)**	0.05	(0.04)
Current tax and deferred tax provision for the year as per restated accounts (H+I)		**90.80**	**125.46**
Total tax expense as per Restated Consolidated Summary Statement of Profit and Loss		**90.80**	**125.46**

Note

The permanent and timing differences for the years ended March 31, 2015 and 2014 have been computed based on the tax computations from the income tax returns for the respective years.

[*This page has been intentionally left blank*]

INDEPENDENT AUDITOR'S REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
MILLTEC MACHINERY LIMITED
(Formerly known as MILLTEC MACHINERY PRIVATE LIMITED)
51/A, KIADB Industrial Area,
Bommasandra, Bengaluru – 560 099
Karnataka

Dear Sirs,

1. We have examined the attached Restated Standalone Financial Information of MILLTEC Machinery Limited (formerly known as MILLTEC Machinery Private Limited) (the "Company"), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at as at March 31, 2018, 2017, 2016, 2015 and 2014, the Restated Standalone Summary Statements of Profit and Loss (including other comprehensive income) and Restated Standalone Summary Statement of Changes in Equity for each of the years ended March 31, 2018, 2017 and 2016, the Restated Standalone Summary Statements of Profit and Loss for the years ended March 31, 2015 and 2014 and the Restated Standalone Summary Statements of Cash Flows for the years ended March 31, 2018, 2017, 2016, 2015 and 2014 and the Standalone Summary Statement of Significant Accounting Policies, and related Annexures thereto (collectively, the "Restated Standalone Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 23, 2018 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

    a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"); and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India, as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information comply with the requirements of the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Standalone Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated March 23, 2018 in connection with the proposed offer for sale of equity shares of the Company;

   b) The Guidance Note; and

   c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Standalone Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

4. These Restated Standalone Financial Information have been compiled by the Management from:

   a) Audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board at their meeting held on June 14, 2018. The comparative information for the year ended March 31, 2017 included in such financial statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which was approved by the Board of directors at their meeting held on September 13, 2017.

   b) Audited Standalone Financial Statements of the Company as at and for the years ended March 31, 2015 and 2014 prepared in accordance with the Indian GAAP which have been approved by the Board of Directors at their meetings held on September 25, 2015 and October 17, 2014 respectively.

   The Restated Standalone Financial Information also contains the proforma standalone Ind AS financial statements as at and for the year ended March 31, 2016. These proforma standalone Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 which have been approved by the Board of Directors at their meetings held on June 24, 2016 as described in Note 2.1 of Annexure 6 to the Restated Standalone Financial Information.

5. The audit report on the standalone financial statements as at and for the year ended March 31, 2018, included following matter under 'Report on Other Legal and Regulatory Requirements' section of the audit report:

   On the basis of a legal opinion received by the Company in respect of a director as noted in Note 37B of the standalone Ind AS financial statements and the written representations received from the directors of the Company as on March 31, 2018, both taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Standalone Financial Information:

   a. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial year ended March 31, 2017 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2018;

   b. have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 as described in Note 2.1 of Annexure 6 to the Restated Standalone Financial Information;

   c. have been prepared after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively in the financial year ended March 31, 2014 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2015;

   d. have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate;

   e. do not contain any extra-ordinary items that need to be disclosed separately and do not contain any qualification requiring adjustments; and

   f. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

8. The Restated Standalone Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of our reports mentioned in paragraph 4 above on the audited standalone financial statements.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Management for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Sathya P. Koushik
Partner
(Membership No. 206920)

Place: Bengaluru
Date: June 29, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 1 - Restated Standalone Summary Statement of Assets and Liabilities

Particulars	Annexure No	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	7	300.61	322.76	350.57
(b) Capital work in progress		5.76		
(c) Investment Property	9	1.52	1.52	1.52
(d) Goodwill	8A	17.97	17.97	-
(e) Other Intangible assets	8B	29.68	37.74	10.13
(f) Financial Assets				
(i) Investments in Subsidiaries	10	-	0.10	0.10
(ii) Other investments	11	1.24	1.24	1.24
(iii) Other financial assets	12	21.97	4.10	3.01
(g) Deferred tax assets (net)	13	36.13	37.41	34.31
(h) Other non-current assets	14	171.06	72.27	57.82
Total Non - Current Assets		**585.94**	**495.11**	**458.70**
Current assets				
(a) Inventories	15	340.72	323.72	293.00
(b) Financial assets				
(i) Other investments	11	357.51	255.26	35.80
(ii) Trade receivables	16	606.78	492.01	406.19
(iii) Cash and bank balances	17	46.04	51.93	110.82
(iv) Other financial assets	12	21.30	12.63	14.34
(c) Other current assets	14	28.99	18.21	26.72
Total current assets		**1,401.34**	**1,153.76**	**886.87**
Total assets		**1,987.28**	**1,648.87**	**1,345.57**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	30.61	30.61	30.61
(b) Other equity	19	1,042.15	783.76	578.06
Total Equity		**1,072.76**	**814.37**	**608.67**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	9.47	11.47	119.88
(ii) Other financial liabilities	24	1.57	1.57	1.57
(b) Provisions	21	22.74	17.63	11.38
(c) Other non-current liabilities	22	-	4.49	5.13
Total Non - Current Liabilities		**33.78**	**35.16**	**137.96**
Current liabilities				
(a) Financial Liabilities				
(i) Trade payables	23	586.30	492.49	354.36
(ii) Other financial liabilities	24	24.88	115.99	125.44
(b) Provisions	21	92.02	84.17	60.07
(c) Other current liabilities	22	177.54	106.69	59.07
Total Current Liabilities		**880.74**	**799.34**	**598.94**
Total Liabilities		**914.52**	**834.50**	**736.90**
Total Equity and Liabilities		**1,987.28**	**1,648.87**	**1,345.57**

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 2 - Restated Standalone Summary Statement of Profit and Loss

Particulars	Annexure No	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Revenue from Operations	25	2,652.89	2,202.42	1,771.07
Other Income	26	29.16	20.40	18.46
Total Income		**2,682.05**	**2,222.82**	**1,789.53**
Expenses				
Cost of materials consumed	27	1,489.19	1,276.70	1,051.09
Changes in inventories of work-in-progress and semi-finished goods	28	(22.01)	(53.83)	(102.73)
Employee benefits expenses	29	262.22	235.73	207.59
Finance Costs	30	2.10	19.50	34.85
Depreciation and amortisation expense	31	47.18	44.28	39.90
Other expenses	32	448.30	387.10	298.67
Total expenses		**2,226.98**	**1,909.48**	**1,529.37**
Restated profit before exceptional items and tax		**455.07**	**313.34**	**260.16**
Exceptional items	32a	**9.01**	**(3.24)**	**(56.64)**
Restated profit before tax		**464.08**	**310.10**	**203.52**
Tax expense				
(1) Current tax	33	159.02	107.80	101.00
(2) Deferred tax	33	0.41	(3.20)	(31.62)
		159.43	104.60	69.38
Restated profit for the year		**304.65**	**205.50**	**134.14**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
(a) Gain / (loss) on remeasurements of defined benefit plans		2.52	0.30	5.78
(b) Tax on remeasurements of the defined benefit plan		(0.87)	(0.10)	(2.00)
Restated total other comprehensive income		**1.65**	**0.20**	**3.78**
Restated total comprehensive income for the year		**306.30**	**205.70**	**137.92**
Earnings per equity share (par value of Rs 10 each)				
- Basic (in Rs.)	37 and 40	99.52	67.13	43.82
- Diluted (in Rs.)	37 and 40	99.52	67.13	43.82

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 3 - Restated Standalone Summary of Statement of Cash Flows

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016 (Proforma)	
A. Cash flows from operating activities						
Restated Profit before tax		464.08		310.10		203.52
Adjustments for:						
Depreciation and amortization expenses		47.18		44.28		39.90
Gain on disposal of property plant and equipment		(0.09)		-		-
Finance costs		2.1		19.5		34.85
Bad debts and allowance for doubtful trade receivable and statutory forms receivable		3.89		23.01		5.18
Allowance made/(written back) for loans to related parties (including interest accrued)		(9.01)		3.24		56.64
Provision no longer required written back		(6.99)		-		-
Dividend Income		(8.75)		(8.96)		(1.23)
Interest Income		(4.15)		(7.66)		(8.15)
Rental Income		-		-		(0.86)
Government grant income		(4.49)		(0.64)		-
Net unrealized foreign exchange (gain) / loss		4.03		7.18		(0.05)
Cash flows from operating activities before working capital changes		**487.80**		**390.05**		**329.80**
Adjustments for working capital changes						
Adjustments for (increase)/ decrease in operating assets						
Trade Receivables	(120.35)		(100.26)		(131.75)	
Inventories	(17.00)		(29.25)		(92.66)	
Other assets	(98.77)		(11.65)		(3.13)	
Adjustments for Increase /(decrease) in operating liabilities						
Trade Payables	91.47		127.08		177.52	
Other liabilities	69.85		45.52		12.17	
Provisions	12.74	**(62.06)**	10.69	**42.13**	2.32	**(35.53)**
Cash flows from operating activities before taxes paid		**425.74**		**432.18**		**294.27**
Direct taxes paid (net of refunds)		(156.28)		(90.70)		(62.66)
Net cash flows generated from operating activities (A)		**269.46**		**341.48**		**231.61**
B. Cash flows generated / (used-in) from investing activities						
Payments made on purchase of property plant and equipment, capital work-in-progress and intangibles	(34.87)		(11.01)		(39.85)	
Gain on disposal of property plant and equipment	0.09		-		-	
Proceeds from sale of Investments in Subsidiaries	0.10		-		-	
Investment made in subsidiaries	-		-		(0.10)	
Cash outflow on account of acquisition of business	(22.48)		(30.03)		-	
Proceeds from sale of Investment made in other than subsidiaries	662.50		591.00		155.61	
Investment made in other than subsidiaries	(764.75)		(810.46)		(166.11)	
(Increase) / Decrease in bank balances not considered as cash and cash equivalents	(5.86)		36.98		(81.35)	
Dividend income received	8.75		8.96		1.23	
Rent received	-		0.04		0.82	
Interest income received	4.10		8.87		7.17	
Net Cash flows (used-in) investing activities (B)		**(152.42)**		**(205.65)**		**(122.58)**
C. Cash flows from Financing activities						
Proceeds from issue of shares	-		-		-	
Proceeds from long-term borrowings	-		-		7.50	
Repayment of long-term borrowings	(61.92)		(136.99)		(81.85)	
Interest paid	(2.82)		(20.75)		(34.91)	
Dividend paid including dividend distribution tax paid	(47.91)		-		-	
Net Cash flows (used-in) financing activities (C)		**(112.65)**		**(157.74)**		**(109.26)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		4.39		(21.91)		(0.23)
Cash and cash equivalents at the beginning of the year		7.56		29.47		29.70
Cash and cash equivalents at the end of the year		**11.95**		**7.56**		**29.47**
Reconciliation of Cash and cash equivalents as defined in Ind AS 7						
Cash and bank balances		46.04		51.93		110.82
Less: Bank balance not considered as Cash and cash equivalents as defined in Ind AS 7 Cash flow statement						
1) in earmarked accounts						
- Balance held as margin money against guarantees		34.09		44.37		81.35
Net Cash and cash equivalents		**11.95**		**7.56**		**29.47**
Cash and cash equivalents at the end of the year		**11.95**		**7.56**		**29.47**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 3 - Restated Standalone Summary of Statement of Cash Flows

Reconciliation of liabilities from financing activities:

Particulars	As at March 31, 2017	Proceeds	Repayment	As at March 31, 2018
Long-term borrowings (including current maturities of long-term debt)	73.32	-	(61.92)	11.40
Total liabilities from financing activities	**73.32**	**-**	**(61.92)**	**11.40**

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss, cashflows and statement of material adjustments as appearing in Annexure 5 to Annexure 41

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 4: Summary Statement of Material Adjustments to Audited Standalone Financial Statements

Particulars	Annexure	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Total comprehensive income for the year [Refer Annexure 38] (A)	**A2**	**306.30**	**205.70**	**137.92**
Restatement Adjustments		**-**	**-**	**-**
Total effect of adjustments (B)		**-**	**-**	**-**
Net effect of increase in profit/ (loss) on adjustments after tax (C) = (A - B)		**-**	**-**	**-**
Net Profit for the year as restated (D) = (A + C)		**306.30**	**205.70**	**137.92**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 5 - Restated Standalone Summary Statement of Changes in Equity

a. Equity share capital

Particulars	Amount
Balance as at April 1, 2015 (Proforma)	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2016 (Proforma)	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2017	**30.61**
Changes in equity share capital during the year	
(a) Additions during the year	-
Balance as at March 31, 2018	**30.61**

b. Other Equity

Particulars	Securities premium	Capital Reserve	Surplus in Statement of Profit and Loss	Total Other Equity
Balance as at April 1, 2015 (Proforma)	33.29	8.30	398.55	440.14
Add:				
Profit for the year	-	-	134.14	134.14
Less:				
Remeasurements of the defined benefit Plans - Gains / (losses) (net of tax)	-	-	3.78	3.78
Balance as at March 31, 2016 (Proforma)	**33.29**	**8.30**	**536.47**	**578.06**
Balance as at April 1, 2016	33.29	8.30	536.47	578.06
Add:				
Profit for the year	-	-	205.50	205.50
Less:				
Remeasurements of the defined benefit Plans - Gains / (losses) (net of tax)	-	-	0.20	0.20
Balance as at March 31, 2017	**33.29**	**8.30**	**742.17**	**783.76**
Balance as at April 1, 2017	33.29	8.30	742.17	783.76
Add:				
Profit for the year	-	-	304.65	304.65
Less:				
Dividend and tax there on	-	-	(47.91)	(47.91)
Remeasurements of the defined benefit Plans - Gains / (losses) (net of tax)	-	-	1.65	1.65
Balance as at March 31, 2018	**33.29**	**8.30**	**1,000.56**	**1,042.15**

Annexure 6 - Standalone Summary Statement of Significant Accounting Policies and Explanatory Notes

1 CORPORATE INFORMATION

MILLTEC Machinery Limited (formerly known as MILLTEC Machinery Private Limited) ("the Company"), incorporated in 1998, is a manufacturer of machinery for rice, maize and pulse processing. The Company supplies equipment to the grain milling industries and has an established presence across the value chain from cleaning, de-husking and polishing to grading. Apart from this, the Company also provides turnkey solutions and after sales services. The Company has manufacturing facilities in Bengaluru and Chennai. The Company has operations geographically spread across India and outside India.

The Company changed its name from MILLTEC Machinery Private Limited to MILLTEC Machinery Limited on March 21, 2018.
The Restated Standalone Ind AS Financial Information were approved for issuance by the Company's Board of Directors on June 23, 2018.

2 BASIS FOR PREPARATION AND PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The Restated Standalone Summary Statement of Assets and Liabilities of MILLTEC Machinery Limited (the “Company”) as at March 31, 2018, 2017 and 2016 and the related Restated Standalone Summary Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flow for the years ended March 31, 2018, 2017 and 2016 (hereinafter collectively referred to as "Restated Standalone Financial Information") have been prepared as follows:

a) The financial information as at and for the year ended March 31, 2018 and March 31, 2017 have been prepared on the basis of the audited standalone Ind AS financial statements of the Company as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time which have been approved by the Board at their meeting held on June 14, 2018. The comparative information for the year ended March 31, 2017 included in such financial statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, (“Indian GAAP”) which was approved by the Board of directors at their meeting held on September 13, 2017.
b) The proforma financial information as at and for the year ended March 31, 2016 has been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2016 which were approved by the Board of Directors at their meeting held on June 24, 2016.

These Restated Standalone Financial Information have been prepared by the management solely for the purposes of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares, in accordance with the requirement of:

a) Section 26 of the Companies Act, 2013;

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the “SEBI regulations”); and

c) Guidance note on reports in company prospectuses issued by The Institute of Chartered Accountants of India ('ICAI').

For all the periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 ("Indian GAAP" or “Previous GAAP"). The date of transition to Ind AS is April 1, 2016. As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while preparing proforma financial information for the FY 2015-16 and accordingly, suitable restatement adjustments in the accounting heads have been made in the proforma financial information.

The Restated Standalone Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions upto two decimals, except where otherwise indicated.

First-time adoption of Ind AS
Overall Principle:
The Company has prepared the opening restated standalone summary statement of assets and liabilities as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets:
The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Deemed cost for investment in subsidiary:
The Company has elected to continue with the carrying value of investments in all of its subsidiaries recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease:
The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Derecognition of Financial Assets and Liabilities:
The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Impairment of financial assets:
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.2 Summary of significant accounting policies

Revenue Recognition
Revenue is measured at the fair value of the consideration received or receivable.
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

• the amount of revenue can be measured reliably;

• it is probable that the economic benefits associated with the transaction will flow to the Company; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services and commission income are recognized when services are rendered and related costs are incurred.

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is accounted for when the right to receive payment has been established.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss.

Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and any other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the Written Down Value (WDV) method as per useful life provided in Schedule II of the Companies Act 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed by the Management:

Electrical Installations	15 Years
Office Equipments	15 Years
R&D Equipments	6 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

Intangible assets

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	**Useful life**
Computer Software	Lower of license period or 5 years
Copyrights, patents and other intellectual property rights, services and operating rights	5 Years
Knowhow	5 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of these dates.

Investments in subsidiaries
Investment in subsidiaries are measured at cost less impairment.

The Company has elected to continue with the carrying value of investments in all of its subsidiaries recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

Inventories
Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores & spares are valued at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Instruments
Financial assets and financial liabilities:
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement:
Financial assets at amortised cost-
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income-
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss-
Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities
Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity Instrument
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Impairment of financial assets (other than at fair value)
The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

Share issue expense
The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

Cash and cash equivalents
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Foreign Currency transactions and translations
The functional currency of the Company is Indian Rupee (Rs.).
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Employee Benefits
<u>Defined Contribution Plan</u>
The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

<u>Defined Benefit Plan</u>
For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

<u>Short-term employee benefits</u>
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

<u>Long-term employee benefits</u>
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Borrowing Costs

Borrowing costs include:
(i) interest expense calculated using the effective interest rate method,
(ii) finance charges in respect of finance leases, and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

Earnings per share

Basic earnings per share are computed by dividing profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.
Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

3 Use of estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of investments in subsidiaries, Property Plant and Equipment and Intangible Assets

The Company reviews its carrying value of investments in subsidiaries, Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Provision for expected credit loss

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

New standards and interpretations not yet adopted

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from Contracts with Customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The new standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity’s contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application - and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard is effective for annual periods beginning on or after 1 April 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 7- Restated Standalone Summary Statement of Property, Plant and Equipment

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carrying amounts of:			
Freehold land	123.82	123.82	123.82
Buildings	68.18	75.34	83.00
Plant and equipment	72.64	82.28	94.17
Electrical equipments	1.27	1.55	1.89
Tools and Patterns	14.86	15.42	16.19
Furniture and fixtures	2.84	2.35	2.55
Office equipment	3.53	3.76	4.06
Vehicles	8.50	12.36	17.97
Computers	3.03	2.65	2.56
R & D equipments	1.94	3.23	4.36
	300.61	**322.76**	**350.57**

Particulars	**Property, Plant and Equipment**										
	Land	**Building**	**Plant and machinery**	**Electrical equipments**	**Tools and Patterns**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Computers**	**R & D equipments**	**Total**
Cost as at 1 April 2015	**123.82**	**134.20**	**130.68**	**3.63**	**29.20**	**8.02**	**6.72**	**7.71**	**15.78**	**7.33**	**467.09**
Additions	-	2.63	22.55	0.70	2.84	0.32	0.60	18.16	1.12	1.58	**50.50**
Disposals	-	-	-	-	-	-	-	-	-	-	**-**
Cost as at 31 March 2016	123.82	136.83	153.23	4.33	32.04	8.34	7.32	25.87	16.90	8.91	**517.59**
DEPRECIATION											
Opening accumulated depreciation	-	45.21	39.54	2.07	12.69	4.93	2.39	7.62	12.24	2.33	**129.02**
Depreciation expense for the year	-	8.62	19.52	0.37	3.16	0.86	0.87	0.28	2.10	2.22	**38.00**
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation as at 31 March 2016	-	53.83	59.06	2.44	15.85	5.79	3.26	7.90	14.34	4.55	**167.02**
Carrying amount as at 31 March 2016	**123.82**	**83.00**	**94.17**	**1.89**	**16.19**	**2.55**	**4.06**	**17.97**	**2.56**	**4.36**	**350.57**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Particulars	**Property, Plant and Equipment**										
	Land	**Building**	**Plant and machinery**	**Electrical equipments**	**Tools and Patterns**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Computers**	**R & D equipments**	**Total**
Deemed cost as at 1 April 2016	**123.82**	**83.00**	**94.17**	**1.89**	**16.19**	**2.55**	**4.06**	**17.97**	**2.56**	**4.36**	**350.57**
Additions	-	0.24	5.41	-	2.37	0.49	0.46	-	2.15	0.69	**11.81**
Disposals	-	-	-	-	-	-	-	-	-	-	**-**
Cost as at 31 March 2017	123.82	83.24	99.58	1.89	18.56	3.04	4.52	17.97	4.71	5.05	**362.38**
DEPRECIATION											
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-	**-**
Depreciation expense for the year	-	7.90	17.30	0.34	3.14	0.69	0.76	5.61	2.06	1.82	**39.62**
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation as at 31 March 2017	-	7.90	17.30	0.34	3.14	0.69	0.76	5.61	2.06	1.82	**39.62**
Carrying amount as at 31 March 2017	**123.82**	**75.34**	**82.28**	**1.55**	**15.42**	**2.35**	**3.76**	**12.36**	**2.65**	**3.23**	**322.76**
Cost as at 1 April 2017	**123.82**	**83.24**	**99.58**	**1.89**	**18.56**	**3.04**	**4.52**	**17.97**	**4.71**	**5.05**	**362.38**
Additions	-	-	9.43	-	2.40	1.35	0.49	-	2.22	-	**15.89**
Disposals	-	-	(0.07)	-	-	-	-	-	-	-	**(0.07)**
Cost as at 31 March 2018	123.82	83.24	108.94	1.89	20.96	4.39	5.01	17.97	6.93	5.05	**378.20**
DEPRECIATION											
Opening accumulated depreciation	-	7.90	17.30	0.34	3.14	0.69	0.76	5.61	2.06	1.82	**39.62**
Depreciation expense for the year	-	7.16	19.04	0.28	2.96	0.86	0.72	3.86	1.84	1.29	**38.01**
Eliminated on disposal of assets	-	-	(0.04)	-	-	-	-	-	-	-	**(0.04)**
Accumulated depreciation as at 31 March 2018	-	15.06	36.30	0.62	6.10	1.55	1.48	9.47	3.90	3.11	**77.59**
Carrying amount as at 31 March 2018	**123.82**	**68.18**	**72.64**	**1.27**	**14.86**	**2.84**	**3.53**	**8.50**	**3.03**	**1.94**	**300.61**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 8A - Restated Standalone Summary Statement of Goodwill

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Goodwill	17.97	17.97	-
	17.97	**17.97**	**-**

Particulars	Goodwill
Cost as at 1 April 2015 (Refer Note-1 below)	**-**
Additions	-
Disposals	-
Cost as at 31 March 2016	-
Amortisation	
Opening Accumulated impairment	-
Impairment expense for the year	-
Eliminated on disposal of assets	-
Accumulated impairment as at 31 March 2016 (Proforma)	-
Carrying amount as at 31 March 2016 (Proforma)	**-**
Deemed cost as at 1 April, 2016 (Refer Note-1 below)	**-**
Additional amounts recognised from business combinations occurring during the year (refer Note-2 below)	17.97
Cost as at 31 March 2017	17.97
Impairment	
Impairment expense for the year	-
Accumulated impairment as at 31 March 2017	-
Carrying amount as at 31 March 2017	**17.97**
Cost as at 1 April 2017	**17.97**
Additions	-
Disposals	-
Cost as at 31 March 2018	17.97
Amortisation	
Opening Accumulated impairment	-
Impairment expense for the year	-
Accumulated impairment as at 31 March 2018	-
Carrying amount as at 31 March 2018	**17.97**

Note-1: The Company received the approval of the Hon'ble High court of Judicature for a Scheme of Amalgamation in earlier years. Pursuant to such Scheme, Goodwill arising on the merger of the Company's subsidiaries amounting to Rs. 385.57 Million has been written off against the Reserves during the year ended March 31, 2014, in line with the Court approved Scheme.

Note-2: The goodwill has been allocated to the entity as a whole which is considered as the only cash generating unit. As at the end of reporting period no impairment has been identified by the Management. The Management believes that any reasonable change in the key assumptions on which recoverable amount is determined would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

The recoverable amount of this cash generating unit has been determined based on a value in use approach by considering cash flow projections approved by the Management. The discount rate considered for arriving the said recoverable amount are as below:

Inputs considered	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Discount rate	18.37%	18.37%	NA

Business combination
In order to expand the business of manufacturing rice milling equipments, the Company has acquired "Sunshine" on December 31, 2016. The consideration paid for the said acquisition is Rs. 52.51 Millions. The details of the same are as below:

Name of the entity	Principal Activity	Date of Acquisition
Sunshine (proprietary concern)	Manufacture of rice / pulse milling equipments	31-Dec-16

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Assets and liabilities acquired at the date of acquisition

Particulars	Amount	Amount
Particulars of assets and liabilities as on December 31, 2016		
Property, Plant and equipment	1.06	
Know how (Intangible asset)	32.01	
Inventory	1.47	
Total assets		34.54
Non-current liabilities	-	
Current liabilities	-	
Total liabilities		-
Fair value of Net assets acquired		**34.54**

Goodwill arising on acquisition

Particulars	Amount
Consideration transferred (In cash)	52.51
Less: Fair value of identifiable net assets acquired (as above)	34.54
Goodwill arising on acquisition	**17.97**

Net cash outflow on acquisition

Particulars	Amount
Consideration paid in cash	52.51
Less: Cash and cash equivalent balances acquired	-
Outflow/(Inflow)	**52.51**

Impact on acquisition of Sunshine

The profit before tax for the year ended March 31, 2017 is after offsetting the loss of Rs. 4.07 Million attributable to the business of Sunshine and Revenue for the year ended March 31, 2017 includes Rs. 2.41 Million in respect of Sunshine business.

Had this acquisition occurred on April 1, 2016, the profit before tax for the year 2016-17 would have reduced by Rs. 12.21 Million and revenue for the year would have increased by Rs. 7.23 Million.

Annexure 8B - Restated Standalone Summary Statement of Other Intangible Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carrying amounts of :			
Computer Software	5.64	7.32	10.13
Copyrights, patents and other intellectual property rights, services and operating rights	-	-	-
Knowhow	24.04	30.42	-
	29.68	**37.74**	**10.13**

Particulars	Other Intangible Assets			
	Computer software	Copyrights, patents and other intellectual property rights, services and other operating rights	Knowhow	Total of Other Intangible Assets
Cost as at 1 April 2015	**9.21**	**2.02**	**-**	**11.23**
Additions	4.35	-	-	**4.35**
Disposals	-	-	-	**-**
Cost as at 31 March 2016	**13.56**	**2.02**	**-**	**15.58**
Amortisation				
Opening accumulated amortisation	1.53	2.02	-	**3.55**
Amortisation expense for the year	1.90	-	-	**1.90**
Eliminated on disposal of assets	-	-	-	**-**
Accumulated amortisation as at 31 March 2016 (Proforma)	**3.43**	**2.02**	**-**	**5.45**
Carrying amount as at 31 March 2016 (Proforma)	**10.13**	**-**	**-**	**10.13**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 8B - Restated Standalone Summary Statement of Other Intangible Assets (continued)

Particulars	Other Intangible Assets		
	Computer software	**Knowhow**	**Total of Other Intangible Assets**
Deemed cost as at 1 April, 2016	**10.13**	**-**	**10.13**
Additions	0.26	32.01	**32.27**
Disposals	-	-	**-**
Cost as at 31 March 2017	10.39	32.01	**42.40**
Amortisation			
Amortisation expense for the year	3.07	1.59	**4.66**
Eliminated on disposal of assets	-	-	**-**
Accumulated amortisation as at 31 March 2017	3.07	1.59	**4.66**
Carrying amount as at 31 March 2017	**7.32**	**30.42**	**37.74**
Cost as at 1 April 2017	**10.39**	**32.01**	**42.40**
Additions	1.11	-	**1.11**
Disposals	-	-	**-**
Cost as at 31 March 2018	11.50	32.01	**43.51**
Amortisation			
Opening accumulated amortisation	3.07	1.59	**4.66**
Amortisation expense for the year	2.79	6.38	**9.17**
Eliminated on disposal of assets	-	-	**-**
Accumulated amortisation as at 31 March 2018	5.86	7.97	**13.83**
Carrying amount as at 31 March 2018	**5.64**	**24.04**	**29.68**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 9 - Restated Standalone Summary Statement of Investment Property

Investment Property

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carrying amounts of :			
Land	1.52	1.52	1.52
	1.52	**1.52**	**1.52**

Investment Property

Particulars	Land
Cost as at 1 April 2015 (Proforma)	**1.52**
Additions	-
Disposals	-
Cost as at 31 March 2016 (Proforma)	1.52
DEPRECIATION	
Opening accumulated depreciation	-
Depreciation / amortisation expense for the year	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2016	-
Carrying amount as at 31 March 2016 (Proforma)	**1.52**
Deemed cost as at April 1, 2016	**1.52**
Additions	-
Disposals	-
Cost as at 31 March 2017	1.52
DEPRECIATION	
Depreciation / amortisation expense for the year	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2017	-
Carrying amount as at 31 March 2017	**1.52**
Cost as at 1 April 2017	**1.52**
Additions	-
Disposals	-
Cost as at 31 March 2018	1.52
DEPRECIATION	
Opening accumulated depreciation	-
Depreciation / amortisation expense for the year	-
Eliminated on disposal of assets	-
Accumulated depreciation as at 31 March 2018	-
Carrying amount as at 31 March 2018	**1.52**

Amount recognized in statement of profit and loss for investment property

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Rental income	-	-	0.86

Fair value of investment property

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Land (Investment property)	13.61	13.61	13.61

Note:

i) The fair value of investment property is based on a valuation carried out by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. The fair value of the investment property has been arrived at by means of market approach. As per the said technique, fair value of investment property is arrived by considering the comparable prices of similar property at that location.

ii) There are no restrictions attached to the above said investment property.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 10 - Restated Standalone Summary Statement of Investments in Subsidiaries

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Investments in equity instruments (unquoted):			
Wholly owned subsidiaries			
Milltec Industries and Power Solutions Private Limited			
Nil (PY: 10,000) equity shares of Rs.10/- each fully paid up	-	0.10	0.10
	-	**0.10**	**0.10**
Others			
M S Sorters Private Limited			
1,100,000 equity shares of Rs.10/- each fully paid up (Net of impairment of Rs 11 million)	-	-	-
	-	-	-
	-	**0.10**	**0.10**
Aggregate amount of unquoted investments	**11.00**	**11.10**	**11.10**
Aggregate amount of impairment in value of investments	**11.00**	**11.00**	**11.00**

Annexure 11 - Restated Standalone Summary Statement of Other Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current (Quoted)			
Investments in bonds			
1,236 units of 8.2% 2022 tax free bonds of National Highway Authority of India of Rs.1,000/- each	1.24	1.24	1.24
	1.24	**1.24**	**1.24**
Current (Quoted)			
Investment in Mutual funds			
SBI Premier Liquid Fund - Regular Plan - Daily dividend	357.51	255.26	35.80
	357.51	**255.26**	**35.80**
Aggregate book value of quoted investments	**358.75**	**256.50**	**37.04**
Aggregate market value of quoted investments	**358.75**	**256.50**	**37.04**

Annexure 12 - Restated Standalone Summary Statement of Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current			
Loan to related parties	30.00	30.00	30.00
Less: Allowance for doubtful loans and advances	(30.00)	(30.00)	(30.00)
Interest accrued on loans to related parties	9.87	18.88	15.64
Less: Allowance for doubtful receivables	(9.87)	(18.88)	(15.64)
Security deposits	4.36	3.15	2.06
Interest accrued on deposits with banks and on bonds	0.52	-	-
Balances held as margin money against guarantees	17.09	0.95	0.95
	21.97	**4.10**	**3.01**
Current			
Security deposits	3.23	10.85	10.31
Loans to employees	0.64	0.42	1.85
Interest accrued on deposits with banks and on bonds	0.25	0.72	1.93
Rent receivable	-	-	0.04
Advance to related parties [Refer note 1 below]	-	0.05	0.05
Other receivables (Refer Annexure 36)	17.18	0.59	0.16
	21.30	**12.63**	**14.34**

Note-1: The Company has majority voting rights [with 51% equity shareholding (100% shareholding upto November 2015)] in Agri Power and Engineering Solutions Private Limited ("APES"). The other shareholder of APES has entered into an 'Option Agreement' ("the Agreement") with the Company and APES during the financial year 2014-15 and in terms of the said Agreement, the other shareholder or its nominee, at any time during the period of ten years from November 26, 2014 to November 25, 2024, can acquire upto 75.01% of shares of APES held by the Company at a price equal to the face value of such shares and / or subscribe for the new shares to be issued by APES at a price that will be determined by APES at the time of such issue. Hence, in terms of this Agreement, the other shareholder has ability to direct the relevant activities of APES and also, the Company is obliged to sell the equity shares of APES to the other shareholder at any time the other shareholder intends to buy such shares. Accordingly, the Management has assessed that the Company doesn't 'control' APES and hence APES is not considered to be subsidiary of the Company under Ind AS.

The aggregate investment by the Company in APES amounting to Rs. 100,000 (10,000 equity shares of Rs. 10 each) during the period September 26, 2014 to November 2015 and Rs. 51,000 (5,100 equity shares of Rs. 10 each) during the period November 2015 to October 13, 2017 has been disclosed under 'Advance to related parties' above. The Board of directors of the Company, in their meeting on October 13, 2017, has approved the transfer of the 2,601 shares to the other shareholder / their nominees at face value of Rs. 10 each under the above referred Agreement. Pursuant to such approval, the Company has transferred the shares on October 13, 2017. Further, the balance 2,499 shares were transferred by the Company to the promoters of the Company at face value of Rs.10 each on October 13, 2017.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 13 - Restated Standalone Summary Statement of Deferred tax assets/ (liabilities)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Deferred tax assets (Net)	36.13	37.41	34.31
Net deferred tax (liability) / asset [Refer Annexure 33]	**36.13**	**37.41**	**34.31**

Annexure 14 - Restated Standalone Summary Statement of Other Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current			
Capital advance	12.14	-	-
Advance income tax (net of provisions for income tax)	9.40	9.40	11.24
Export incentives and SAD receivables	8.18	8.39	-
Prepaid rent	0.19	0.15	0.10
Prepaid expenses	1.03	-	-
VAT/GST credit receivable	140.12	54.33	46.48
	171.06	**72.27**	**57.82**
Current			
Prepaid expenses	2.37	6.93	3.55
Advance to suppliers	26.62	11.28	23.17
	28.99	**18.21**	**26.72**

Annexure 15 - Restated Standalone Summary Statement of Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Inventories (lower of cost or net realisable value)			
- Raw materials	16.85	22.08	46.94
- Work-in-progress and semi-finished goods	321.75	299.74	245.91
- Stores and Spares	2.12	1.90	0.15
	340.72	**323.72**	**293.00**

The cost of inventories recognised as an expense includes Rs. 6.96 million (F.Y. 2016-17: Rs. 13.27 and F.Y. 2015-16: Nil) in respect of write-downs of inventory to net realisable value.

Note: Details of inventory of work-in-progress / semi finished goods -

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Parts and components of Rice Milling Machineries	212.39	162.11	157.94
Parts and components of Colour Sorters	109.36	137.63	87.97
	321.75	**299.74**	**245.91**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 16 - Restated Standalone Summary Statement of Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Current			
Trade receivables			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good	606.78	492.01	406.19
(c) Doubtful	23.92	23.31	5.18
Less: Accrual for expected credit losses (refer Note-A below)	(23.92)	(23.31)	(5.18)
	606.78	**492.01**	**406.19**
Trade receivables include debts due from Private company in which directors of the Company were directors			
-M. S. Sorters Private Limited	-	23.98	53.44
-Agri Power and Engineering Solutions Private Limited	-	-	0.07

Note-A: Movement in expected credit loss allowance **(Rs. in Million)**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	23.31	5.18	2.50
Movement during the year, net	0.61	18.13	2.68
Balance at the end of the year	23.92	23.31	5.18

Ageing of trade receivables (net of expected credit loss allowance)	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Outstanding for a period exceeding more than six months from the date they were due for payment	3.56	31.96	76.67
Others	603.22	460.05	329.52
Total	**606.78**	**492.01**	**406.19**

Annexure 17 - Restated Standalone Summary Statement of Cash and bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Cash on hand	0.03	0.06	0.10
Balances with banks:			
In current accounts	10.37	7.39	29.26
In deposits account	1.55	0.11	0.11
Cash and cash equivalents	**11.95**	**7.56**	**29.47**
Other bank balances:			
In earmarked accounts (Balances held as margin money against guarantees)	34.09	44.37	81.35
	34.09	**44.37**	**81.35**
	46.04	**51.93**	**110.82**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 18 - Restated Standalone Summary Statement of Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Authorised Share capital* :			
Equity Shares of Rs.10 each [Refer note (i) below for number of shares]	61.00	61.00	61.00
Issued and subscribed capital comprises:			
Equity Shares of Rs.10 each [Refer note (i) below for number of shares]	30.61	30.61	30.61
Total issued, subscribed and fully paid-up share capital	**30.61**	**30.61**	**30.61**

* Subsequent to the year ended March 31, 2018, the Company has increased its authorised share capital from 6,100,000 equity shares of Rs 10 each to 10,000,000 equity shares of Rs 10 each and the necessary statutory filings have been completed by the Company on April 22, 2018. Further, the authorised share capital has been increased from 10,000,000 equity shares of Rs 10 each to 15,000,000 equity shares of Rs 10 each and the necessary statutory filings in this regard have been completed by the Company on June 15, 2018.

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period:

Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
Balance as at the beginning of the year	3,061,224	30.61	3,061,224	30.61	3,061,224	30.61
Movement during the year	-	-	-	-	-	-
Balance outstanding as at the end of the year	3,061,224	30.61	3,061,224	30.61	3,061,224	30.61

(ii) Rights, preferences and restrictions attached to shares:
The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by each shareholder holding more than 5% of equity shares

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016 (Proforma)	
	Number of shares	% holding in the class of shares	Number of shares	% holding in the class of shares	Number of shares	% holding in the class of shares
Mr. J. Rajendran	630,612	20.60	630,612	20.60	630,612	20.60
Mr. R. Ravindranath	630,612	20.60	630,612	20.60	630,612	20.60
M/s. Multiples Private Equity Fund	382,050	12.48	382,050	12.48	382,050	12.48
M/s. Multiples Private Equity Fund I Limited	1,117,950	36.52	1,117,950	36.52	1,117,950	36.52

Annexure 19 - Restated Standalone Summary Statement of Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Securities premium account	33.29	33.29	33.29
Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation			
Capital reserve (arising from Merger)	8.30	8.30	8.30
Surplus in Statement of Profit and Loss	1,000.56	742.17	536.47
Surplus in Statement of Profit and Loss comprise of the Company's undistributed earnings net of amounts transferred to General reserve, if any			
	1,042.15	**783.76**	**578.06**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 20 - Restated Standalone Summary Statement of Non-current borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Secured - at amortised cost			
(i) Term loans (Refer note below)			
from banks	-	-	106.67
(ii) Other loans (Refer note below)			
Vehicle loan - from Banks	9.47	11.47	13.21
Total non-current borrowings	**9.47**	**11.47**	**119.88**

Note:
A. (i) Term Loan-1 was for an amount of Rs. 286,000,000 and is repayable within 42 months from the date of disbursement in 14 quarterly instalments. This loan is secured on the primary hypothecation of inventory and receivables and all other current assets of the Company.

Term Loan-2 was for an amount of Rs. 20,000,000 and is repayable within 36 months (including moratorium of 2 months) from the date of disbursement in 34 monthly instalments. This loan is secured by primary hypothecation of the assets purchased or to be purchased as per project cost out of bank finance.

The above term loans are also collateral equitable mortgage of Factory land and building of the Company and collateral hypothecation of unencumbered plant and machineries of the Company and carried at floating interest rate that ranged from 10.10% to 12.60%.

Both the term loans were repayable within 10 - 18 months as at March 31, 2017 and 22 - 30 months as at April 1, 2016.
Term loan-1 was preclosed during the year on April 7, 2017 and Term loan-2 was preclosed on December 30, 2016.

B. Vehicle Loans are for an amount of Rs. 75,00,000 each and have been availed at an interest rate of 9.35% and were repayable in 84 equated monthly instalments.
(i) These loans have been secured by hypothecation of the vehicles purchased using the said term loan.
(ii) The Company has not defaulted in repayment of the loans and interest thereon.
(iii) Subsequent to the year end the Company has preclosed the entire vehicle loan on May 15, 2018.

C For current maturities of long term borrowings, refer Item (a) in Annexure 24 - Other financial liabilities.

Annexure 21 - Restated Standalone Summary Statement of Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-Current			
Employee benefits			
Gratuity	10.06	7.42	3.70
Compensated absence	12.68	10.21	7.68
	22.74	**17.63**	**11.38**
Current			
Employee benefits			
Gratuity	1.00	1.00	1.00
Compensated absence	1.24	1.64	1.40
Provision for Income Tax	70.37	67.63	52.37
Provision for Tax on dividend	-	-	-
Provision for statutory forms receivable (refer Note-A below)	3.23	4.70	-
Provision for Warranty (refer Note-B below)	16.18	9.20	5.30
	92.02	**84.17**	**60.07**
Current	92.02	84.17	60.07
Non-current	22.74	17.63	11.38

Note-A:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	4.70	-	-
Additions during the year	1.71	4.70	-
Utilisations / reversal during the year	(3.18)	-	-
Balance at the end of the year	**3.23**	**4.70**	**-**

Note-B:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Balance at the beginning of the year	9.20	5.30	5.40
Additions	17.79	14.30	4.54
Utilisations	(10.81)	(10.40)	(4.64)
Balance at the end of the year	**16.18**	**9.20**	**5.30**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 22 - Restated Standalone Summary Statement of Other Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non Current			
Deferred government grant income	-	4.49	5.13
	-	**4.49**	**5.13**
Current			
Advances from customer	171.41	101.97	55.24
Statutory remittances	6.13	4.72	3.83
	177.54	**106.69**	**59.07**

Annexure 23 - Restated Standalone Summary Statement of Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Carried at amortised cost			
- Dues to micro and small enterprises	0.91	-	-
- Dues to creditors other than micro and small enterprises	585.39	492.49	354.36
	586.30	**492.49**	**354.36**

Annexure 24 - Restated Standalone Summary Statement of Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-Current			
Security deposits received	1.57	1.57	1.57
	1.57	1.57	1.57
Current			
Current maturities of long term debt	1.93	61.85	90.43
Interest accrued but not due on borrowings	-	0.72	1.97
Payable on business combination [Refer Annexure 8A]	-	22.48	-
Payable to employees	22.95	30.94	33.04
	24.88	**115.99**	**125.44**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 25 - Restated Standalone Summary Statement of Revenue from Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Sale of products			
Machinery products and spares	2,565.43	2,128.41	1,692.23
Traded Goods	-	2.78	10.44
Sale of services			
Erection and commissioning	38.11	26.31	25.12
Labour charges	8.60	9.37	7.42
Other operating revenue			
Sale of scrap	12.43	8.83	8.59
Packing, forwarding and insurance charges	25.78	24.39	17.10
Agency commission	-	-	7.78
Consultancy charges	-	-	1.80
Duty drawback	2.54	2.33	0.59
	2,652.89	**2,202.42**	**1,771.07**

Annexure 26 - Restated Standalone Summary Statement of Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Interest income			
Bank Deposits	2.39	3.96	3.98
Interest from National Highway Authority of India bonds	0.10	0.10	0.10
Interest income from loans given	1.66	3.60	4.07
Dividend Income	8.75	8.96	1.23
Net gain on foreign currency transactions and translation	-	-	3.91
Other non-operating income			
Government grant income	4.49	0.64	-
Rental income from land given on lease	-	-	0.86
Provisions no longer required written back	6.99	-	-
Miscellaneous income	4.78	3.14	4.31
	29.16	**20.40**	**18.46**

Annexure 27 - Restated Standalone Summary Statement of Cost of Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Cost of material consumed	1,489.19	1,276.70	1,051.09
Material consumed comprise:			
Motors of different specifications	80.57	111.52	116.87
Other items	1,408.62	1,165.18	934.22

Annexure 28 - Restated Standalone Summary Statement of Changes in Inventories of Work-in-Progress and Semi-finished Goods

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Inventories at the end of the year			
Work-in-progress and semi-finished goods	321.75	299.74	245.91
	321.75	299.74	245.91
Inventories at the beginning of the year			
Work-in-progress and semi-finished goods	299.74	245.91	143.18
	299.74	245.91	143.18
	(22.01)	**(53.83)**	**(102.73)**

Annexure 29 - Restated Standalone Summary Statement of Employee Benefits Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Salaries and wages	231.32	206.89	185.90
Contribution to provident and other funds	11.18	9.47	9.91
Staff welfare expenses	19.72	19.37	11.78
	262.22	**235.73**	**207.59**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 30 - Restated Standalone Summary Statement of Finance Costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Interest expense on			
Borrowings	1.23	18.04	30.44
Others			
- Bill discounting charges	-	-	1.00
Other borrowing costs	0.87	1.46	3.41
	2.10	**19.50**	**34.85**

Annexure 31 - Restated Standalone Summary Statement of Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Depreciation of property, plant and equipment	38.01	39.62	38.00
Amortisation of intangible assets	9.17	4.66	1.90
Total depreciation and amortisation	**47.18**	**44.28**	**39.90**

Annexure 32 - Restated Standalone Summary Statement of Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Consumption of packing materials	26.51	25.83	15.22
Job work charges	28.94	31.38	21.25
Contract and processing charges	92.01	73.74	57.75
Security expenses	6.14	5.13	4.17
Power, fuel and water	16.97	13.49	13.01
Rent	5.35	2.91	2.45
Repairs and maintenance - Buildings	1.88	0.14	1.01
Repairs and maintenance - Plant and machinery	10.04	6.40	3.40
Repairs and maintenance - Others	12.61	11.84	11.01
Insurance	1.14	0.76	0.95
Rates and taxes	3.53	9.04	12.89
Communication	5.60	5.56	7.13
Travelling and conveyance	48.11	39.64	36.10
Printing and stationery	1.29	1.56	1.58
Freight and forwarding	7.13	8.19	3.98
Sales commission	99.09	68.94	52.71
Business promotion	27.32	23.87	9.39
Legal and professional	17.01	10.28	16.61
Payments to auditors (refer note - 32a below)	3.09	1.75	1.65
Bad trade receivables, loans and advances written off (Out of Rs 3.28 million, Rs 2.34 million adjusted against opening expected credit losses)	0.94	-	-
Net loss on foreign currency transaction and translation	2.27	0.02	-
Allowance for expected credit losses on trade receivables	2.95	18.31	5.18
Allowance for doubtful statutory forms receivables	-	4.70	-
Warranty	17.79	14.30	13.70
Bank charges	3.39	4.60	2.95
Research related expenses	3.83	3.16	0.73
Expenditure on Corporate Social Responsibility	1.25	0.21	2.36
Miscellaneous expenses	2.12	1.35	1.49
	448.30	**387.10**	**298.67**

Annexure 32a - Restated Standalone Summary Statement of payments to auditors

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Payment to the auditors comprises			
- Statutory audit	2.80	1.32	1.32
- Reimbursement of expenses	0.29	0.43	0.33
	3.09	**1.75**	**1.65**

Annexure 32b - Restated Standalone Summary Statement of Exceptional items

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Allowance for losses (diminution in value of investments)	-	-	11.00
Allowance for doubtful interest receivable	-	3.24	15.64
Allowance for doubtful advances	-	-	30.00
Allowance for interest receivables no longer required written back	(9.01)	-	-
	(9.01)	**3.24**	**56.64**

(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 33 - Restated Standalone Summary Statement of Current Tax and Deferred Tax

Income Tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Current Tax	159.02	107.80	101.00
Deferred Tax			
In respect of current year	0.41	(3.20)	(31.62)
Income tax expense	**159.43**	**104.60**	**69.38**

Movement in deferred tax balances

Particulars	For the year ended March 31, 2018			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment, Intangibles and Goodwill	(3.21)	(2.31)	-	(5.52)
	(3.21)	(2.31)	-	(5.52)
Tax effect of items constituting deferred tax assets				
Employee Benefits and other provisions	40.62	1.90	(0.87)	41.65
	40.62	1.90	(0.87)	41.65
Net Tax Asset / (Liabilities)	**37.41**	**(0.41)**	**(0.87)**	**36.13**

Particulars	For the year ended March 31, 2017			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment, Intangibles and Goodwill	(5.11)	1.90	-	(3.21)
	(5.11)	1.90	-	(3.21)
Tax effect of items constituting deferred tax assets				
Inventory valuation	11.42	(11.42)	-	-
Employee Benefits and other provisions	28.00	12.72	(0.10)	40.62
	39.42	1.30	(0.10)	40.62
Net Tax Asset / (Liabilities)	**34.31**	**3.20**	**(0.10)**	**37.41**

Particulars	For the year ended March 31, 2016 (Proforma)			
	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment and Intangibles	(3.61)	(1.50)	-	(5.11)
	(3.61)	(1.50)	-	(5.11)
Tax effect of items constituting deferred tax assets				
Inventory valuation	-	11.42	-	11.42
Employee Benefits and other provisions	8.30	21.70	(2.00)	28.00
	8.30	33.12	(2.00)	39.42
Net Tax Asset / (Liabilities)	**4.69**	**31.62**	**(2.00)**	**34.31**

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Restated Profit before tax	464.08	310.10	203.52
Enacted income tax rate in India	34.608%	34.608%	34.608%
Computed expected tax expense	160.61	107.32	70.44
Effect on account of non-deductible expenses under income tax	1.12	0.71	0.05
Effect on account of Income exempt under income tax	(3.03)	(3.14)	(0.29)
Others	0.73	(0.29)	(0.82)
Income tax expense recognised in statement of profit and loss	**159.43**	**104.60**	**69.38**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 34A - Restated Standalone Summary Statement of Financial Instruments

Categories of financial instruments

Financial assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Measured at fair value through profit or loss (FVTPL)			
Investments in Mutual funds	357.51	255.26	35.80
Measured at amortised cost			
(a) Cash and bank balances	46.04	51.93	110.82
(b) Trade Receivables	606.78	492.01	406.19
(c) Other financial assets at amortised cost	44.51	17.97	18.59
Financial liabilities			
Measured at amortised cost			
(a) Trade Payables	586.30	492.49	354.36
(b) Borrowings	9.47	11.47	119.88
(c) Others	26.45	117.56	127.01

Financial risk management objectives
The Company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

Foreign currency risk management
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary liabilities (Trade payables) and Assets (Trade receivables) at the end of the reporting period are as follows.

Currency	**Trade payables**		
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
USD	300.42	261.93	181.34
GBP	-	0.03	-

Currency	**Trade receivables**		
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
USD	126.78	98.94	18.19

Foreign currency sensitivity analysis
The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Impact on profit or (loss) for the year	(8.68)	(8.15)	8.16

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

Interest rate risk
The company is exposed to interest rate risk on account of loans availed from banks at floating interest rate. On a regular basis, the company's treasury function will monitor the market interest rates so that it would reap benefits of any decrease in the market interest rate by resorting to cheaper funding sources.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Interest rate sensitivity analysis
If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Increase / (decrease) in the Profit for the year	(0.13)	(1.70)	(3.33)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits and collaterals taken by the Company for the credit sales. Most of the credit sales made by the Company are supported by collaterals such as Bank guarantee, Letter of credit, Bank deposits, etc. that are reviewed and approved by the management annually. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The company monitors its trade receivables on case to case basis. Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk
Liquidity risk is the risk that the company could be unable to meet its short term financial demands.
Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. A portion of the company's surplus cash is retained as investments in Liquid Mutual Funds to fund short term requirements.

Liquidity analysis for non derivative financial liabilities-
The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company is required to pay. The contractual maturity is based on the earliest date on which the Company would be required to pay.

As at March 31, 2018

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	1.93	4.45	5.02	11.40	11.40
Trade payables and others	610.82	-	-	610.82	610.82
Total	**612.75**	**4.45**	**5.02**	**622.22**	**622.22**

As at March 31, 2017

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	21.35	44.86	7.45	73.66	73.32
Trade payables and others	548.20	-	-	548.20	548.20
Total	**569.55**	**44.86**	**7.45**	**621.86**	**621.52**

As at March 31, 2016 (Proforma)

Financial Liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Loans from banks	69.74	131.70	9.57	211.01	210.31
Trade payables and others	390.94	-	-	390.94	390.94
Total	**460.68**	**131.70**	**9.57**	**601.95**	**601.25**

Capital management
The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the company consists of net debt and total equity of the company. The management of the company reviews the capital structure of the company on a semi-annual basis.

The capital structure is as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Total equity attributable to the equity share holders of the company	1,072.76	814.37	608.67
As percentage of total capital	98.95%	91.74%	74.32%
Current maturities of non-current borrowings	1.93	61.85	90.43
Non-current borrowings	9.47	11.47	119.88
Total borrowings	**11.40**	**73.32**	**210.31**
As a percentage of total capital	1.05%	8.26%	25.68%
Total capital (borrowings and equity)	**1,084.16**	**887.69**	**818.98**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 34B - Restated Standalone Summary Statement of Fair Valuation Techniques and Inputs used

Financial assets/ financial liabilities measured at Fair value	**Fair Value**			**Fair value hierarchy**	**Basis for valuation**
	As at March 31, 2018	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**		
Financial assets					
Investments					
1) Mutual fund investments	357.51	255.26	35.80	Level 1	Quoted price
Total financial assets	357.51	255.26	35.80		

The Management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements approximate their fair values.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 35 - Restated Standalone Summary Statement of Employee Benefit Plans

Defined contribution plans
The Company makes Provident Fund, Pension fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognises the amount paid / payable to such funds in the Restated Standalone Summary Statement of Profit and Loss. The contributions made by the Company towards these schemes are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Employer's contribution to provident fund and pension scheme	6.34	5.93	5.59
Employer's contribution to Employees' State Insurance Corporation	1.66	0.86	0.77

Defined benefit plans
The Company offers gratuity, a defined employee benefit scheme to its employees. The said plan typically exposes the company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Interest risk:
The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Longevity risk:
This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
Salary risk:
Higher than expected increases in salary will increase the defined benefit obligation.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

I. Components of Employee Expense	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Current service cost	3.82	3.20	3.82
Past service cost - plan amendments	0.42	-	-
Curtailment cost / (credit)	-	-	-
Settlement cost / (credit)	-	-	-
Service cost	**4.24**	**3.20**	**3.82**
Net interest on net defined benefit liability / (asset)	0.60	0.34	0.50
Total expense recognised in Restated Standalone Summary Statement of Profit and Loss	**4.84**	**3.54**	**4.32**

Other Comprehensive Income (OCI)	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Actuarial (gain)/loss due to DBO experience	(1.75)	(1.73)	(1.03)
Actuarial (gain)/loss due to DBO assumption changes	(1.01)	1.26	(4.89)
Actuarial (gain)/loss arising during period	**(2.76)**	**(0.47)**	**(5.92)**
Actual return on plan assets less interest on plan assets	0.24	0.17	0.14
Actuarial (gains)/ losses recognized in OCI	**(2.52)**	**(0.30)**	**(5.78)**

Defined Benefit Cost	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Service cost	4.24	3.20	3.82
Net interest on net defined benefit liability / (asset)	1.38	1.19	1.39
Actuarial (gains)/ losses recognized in OCI	(2.52)	(0.30)	(5.78)
Defined Benefit Cost	**3.10**	**4.09**	**(0.57)**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 35 - Restated Standalone Summary Statement of Employee Benefit Plans

Net Balance Sheet position

Development of Net Balance Sheet Position	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Defined benefit obligation (DBO)	20.13	18.68	15.24
Less: Fair value of plan assets (FVA)	9.07	10.26	10.54
Funded status [(surplus)/ deficit]	**11.06**	**8.42**	**4.70**
Effect of Asset ceiling	-	-	-
Net defined benefit (asset)/ liability	**11.06**	**8.42**	**4.70**

Reconciliation of Net Balance Sheet Position	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Net defined benefit asset/ (liability) at end of prior period	8.42	4.70	6.65
Service cost	4.24	3.20	3.82
Net interest on net defined benefit (liability)/ asset	0.60	0.34	0.50
Amount recognised in OCI	(2.52)	(0.30)	(5.78)
Employer contributions	(0.13)	(0.09)	(0.49)
Benefit paid directly by the Company	-	-	-
Acquisitions credit/ (cost)	-	-	-
Divestitures	-	-	-
Cost of termination benefits	-	-	-
Impact of liability assumed or (settled)*	0.45	0.57	-
Net defined benefit (asset)/ liability at end of year	**11.06**	**8.42**	**4.70**

*On account of business combination or inter group transfer

Actuarial assumptions	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Discount Rate	7.85%	7.55%	8.00%
Rate of salary increase	8.00%	8.00%	8.00%

Disclosure of Defined Benefit Cost for the years ended March 31, 2018, March 31 2017 and March 31, 2016.

Change in Defined Benefit Obligation (DBO)	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
DBO at end of prior period	18.68	15.24	17.31
Current service cost	3.82	3.20	3.82
Past service cost - plan amendments	0.42		
Interest cost on the DBO	1.38	1.19	1.39
Curtailment (credit)/ cost	-	-	-
Settlement (credit)/ cost	-	-	-
Past service cost - plan amendments	-	-	-
Remeasurements due to:			
Actuarial loss / (gain) arising from change in financial assumptions	(1.01)	1.26	(4.89)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-	-
Actuarial loss / (gain) arising on account of experience changes	(1.75)	(1.73)	(1.03)
Benefits paid directly by the Company	(1.86)	(1.05)	(1.36)
Benefits paid from plan assets	-	-	-
Liabilities assumed / (settled)*	0.45	0.57	-
DBO at end of current year	**20.13**	**18.68**	**15.24**

*On account of business combination or inter group transfer

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 35 - Restated Standalone Summary Statement of Employee Benefit Plans

Change in Fair Value of Assets	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Particulars			
Fair value of assets at end of prior period	10.26	10.54	10.65
Acquisition adjustment	-	-	-
Interest income on plan assets	0.78	0.85	0.90
Employer contributions	0.13	0.09	0.49
Return on plan assets greater/(lesser) than discount rate	(0.24)	(0.17)	(0.14)
Benefits paid	(1.86)	(1.05)	(1.36)
Fair Value of assets at the end of current year	**9.07**	**10.26**	**10.54**

Expected benefit payments for the year ending	**As at March 31, 2018**
Particulars	
March 31, 2019	0.24
March 31, 2020	0.26
March 31, 2021	0.30
March 31, 2022	0.34
March 31, 2023	0.37
March 31, 2024	0.86
March 31, 2025	2.71
March 31, 2026	0.54
March 31, 2027	1.23
March 31, 2028 and above	83.03

The weighted average duration to the payment of the above said cash flows is 16.16 years.

Composition of plan assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Insurer managed funds	9.07	10.26	10.54
Total	**9.07**	**10.26**	**10.54**

Current and Non Current Liability portion	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Particulars			
Current Liability	1.00	1.00	1.00
Non Current Liability	10.06	7.42	3.70
Net (Asset)/ Liability	**11.06**	**8.42**	**4.70**

Sensitivity Analysis

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
DBO on base assumptions	20.13	18.68	15.24

Discount Rate

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Discount Rate	**7.85%**	**7.55%**	**8.00%**
1 Effect on DBO due to 50 bps increase in Discount Rate	-7.68%	-7.44%	-7.63%
2 Effect on DBO due to 50 bps decrease in Discount Rate	8.51%	8.26%	8.47%

Salary escalation rate	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Salary Escalation Rate	**8.00%**	**8.00%**	8.00%
1 Effect on DBO due to 50 bps increase in Salary Escalation Rate	8.44%	7.37%	7.72%
2 Effect on DBO due to 50 bps decrease in Salary Escalation Rate	-7.70%	-6.84%	-7.13%

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 36 - Restated Standalone Summary Statement of Transactions with Related Parties and Balances

A. Name of related parties and description of relationship:

a) Subsidiaries:

1. M. S. Sorters Private Limited (MSPL)
2. Milltec Industries and Power Solutions Private Limited (w.e.f. August 8, 2015 till February 7, 2018)

b) Key managerial personnel (KMP)

1. J. Rajendran, Director
2. R. Ravindranath, Director
3. Prabhakar Tadepalli, Director
4. Prakash Kulathu Iyer, Nominee Director
5. Sridhar Sankararaman, Nominee Director
6. Nirupama Vellore Ganapathy, Independent Director (w.e.f. 20 April 2018)
7. Rajasekhara Reddy, Independent Director (w.e.f. 20 April 2018)
8. Saravanan Arumugam, Independent Director (w.e.f. 20 April 2018)
9. Ganapathy Subramaniam, Chief Financial Officer (w.e.f. 5 April 2018)
10. Kavita Manta, Company Secretary (w.e.f. 5 April 2018)
11. Dinesh Kumar Tiwari, Director (Up to September 20, 2016)

c) Enterprises in which KMP has control

1. Turbo Power and Engineering Solutions (TPES)

d) Enterprises in which parties having control in the Company are KMPs

1. Agri Power and Engineering Solutions Private Limited (APESPL)

e) Parties holding more than 20% of equity share capital of the Company

1. J. Rajendran
2. R. Ravindranath
3. Multiples Private Equity Fund and Multiples Private Equity Fund I Limited (together "Multiples Group")

Particulars of transactions with	**MSPL**			**KMP**			**TPES**			**APESPL**		
	For the year ended March 31, 2018	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Revenue from operations												
Sales			18.41			-	-	-	-	-	-	-
Agency commission			7.62			-	-	-	-	-	-	-
Consultancy fees			1.80			-	-	-	-	-	-	-
Total	**-**	**-**	**27.83**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other income												
Interest on unsecured loan	1.66	3.60	3.60	-	-	-	-	-	-	-	-	0.47
Rent received	-	-	0.64	-	-	-	-	-	-	-	-	0.23
Contract wages	-	-	-	-	-	-	-	-	-	-	-	0.22
Total	**1.66**	**3.60**	**4.24**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.92**
Other expenses - Job work charges	4.65	8.12	43.60	-	-	-	-	-	14.22	-	-	14.26

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 36 - Restated Standalone Summary Statement of Transactions with Related Parties and Balances

Particulars of transactions with	**MSPL**			**KMP**			**TPES**			**APESPL**		
	For the year ended March 31, 2018	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Employee benefits expense												
Transfer of gratuity liability on transfer of employees	0.44	0.58	-	-	-	-	-	-	-	-	-	-
Advance paid for purchase of capital goods	-	-	-	-	-	-	-	-	-	20.00	-	-
Advance received back on cancelation	-	-	-	-	-	-	-	-	-	20.00	-	-
Dividend												
J. Rajendran	-	-	-	8.20	-	-	-	-	-	-	-	-
R. Ravindranath	-	-	-	8.20	-	-	-	-	-	-	-	-
Towards sale of investments												
J. Rajendran	-	-	-	0.06	-	-	-	-	-	-	-	-
R. Ravindranath	-	-	-	0.06	-	-	-	-	-	-	-	-

Particulars	**Multiples Private Equity Fund**			**Multiples Private Equity Fund - I**		
	For the year ended March 31, 2018	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016**
Dividend	4.97	-	-	14.53	-	-

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 36 - Restated Standalone Summary Statement of Transactions with Related Parties and Balances

	MSPL			KMP			TPES			APESPL		
Balances outstanding	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Trade receivables	-	23.98	53.44	-	-	-	-	-	-	-	-	0.07
Other financial liabilities - Security deposit	1.38	1.38	1.38	-	-	-	-	-	-	-	0.19	0.19
Other receivables - Receivable of employee benefit expenses	1.02	0.58	-	-	-	-	-	-	-	-	-	-
Other Financial Assets - Interest accrued on loans to related parties*	9.87	18.88	15.64	-	-	-	-	-	-	-	-	-
Trade payables	1.25	-	20.28	-	-	-	-	-	-	-	0.55	6.89
Other Financial Assets - Loan to related parties*	30.00	30.00	30.00	-	-	-	-	-	-	-	-	-

*Provision is created for long-term loan to related parties and interest accrued on the same.

Apart from the balances mentioned above, the Company is also entitled to receive from the selling shareholders, the reimbursement of expenses incurred in relation to the proposed listing of its equity shares. The amount of such reimbursement receivable as on March 31, 2018 is Rs. 16.16 Millions and the same is disclosed as "Other receivables" under "Other financial assets" under Annexure 12.

Remuneration Paid to Key Management Personnel

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Short-term benefits	34.71	33.06	31.48
Post-employment benefits	0.04	0.04	0.04
Total	**34.75**	**33.10**	**31.52**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 37 - Restated Standalone Statement of Earnings Per Share, Leases, Contingent Liabilities and Commitments and Other Matters

Earnings per share (EPS)*

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Restated Profit after tax as per Statement of Profit and Loss (in Rs. Millions)	(A)	304.65	205.50	134.14
Weighted average number of equity shares outstanding (Basic)	(B)	3,061,224	3,061,224	3,061,224
Weighted average number of equity shares outstanding (Diluted)	(C)	3,061,224	3,061,224	3,061,224
Nominal value of shares (Rs.)		10	10	10
Earnings per share (basic) (Rs.)	(A/B)	99.52	67.13	43.82
Earnings per share (diluted) (Rs.)	(A/C)	99.52	67.13	43.82

***** Also refer Annexure 40 for impact on basic and diluted EPS post bonus issue.

Leases
The Company has taken and given certain premises under operating leases on cancellable basis. The lease is renewable by mutual consent and there are no contingent rent payments. There are no sub-leases payments received / receivable.
The total lease rent debited to the Restated Standalone Summary Statement of Profit and Loss and is disclosed as rent in other expenses and the total lease rent credited to the Restated Standalone Summary Statement of Profit and Loss under other income is:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Lease rent debited to the Statement of Profit and Loss	5.35	2.91	2.45
Lease rent credited to the Statement of Profit and Loss	-	-	0.86

Non-cancellable operating lease commitments:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Not less than 1 year	2.54	3.63	1.65
Later than 1 year and not later than 5 years	-	1.40	1.63
Later than 5 years	-	-	-

Contingent Liabilities and Commitments

Contingent Liabilities	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Pertaining to labour matters	3.78	3.78	3.78

Commitments	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016 (Proforma)
Estimated amount of contracts to be executed on capital account and not provided for	74.11	22.50	-

The Company had also provided a letter of support to the management of M S Sorters Private Limited ("MSPL"), a subsidiary undertaking to extend financial support to enable MSPL to meet its obligations on a going concern till March 31, 2016.

Operating Segments:
Since the Company prepares consolidated financial statements, segment information has not been provided in these Restated Standalone Ind AS Financial Information.

Certain trade receivables referred to in Annexure 16 are covered by letters of credit / bank guarantees.

Other matters:
A. The Company has received an advance of USD 200,000 against supply from an overseas party which is outstanding for a period exceeding 12 months, for which the party is yet to confirm the delivery schedule. Accordingly the Company has made an application with the regulatory authorities as required under the Foreign Exchange Management Act, 1999 for regularising the said transaction. Necessary approvals in respect of the above matter are awaited.

B. Pursuant to a directive of the Ministry of Corporate affairs (MCA), one of the directors of the Company was rendered disqualified as a director in terms of Section 164(2) of the Companies Act, 2013, pursuant to his directorships in certain other companies which had defaulted in filing their annual returns. The director, based on a writ petition filed with the Honourable High Court of Karnataka (HC), has prayed for an interim stay of the MCA directive. The HC vide its Order dated June 4, 2018, has stayed the applicability of the said directive of the MCA. The Board of Directors have taken on record a legal opinion received from the said director that consequent to the aforesaid stay order of the HC, the director is not disqualified as a director as at March 31, 2018.

C. The Board of Directors of the Company at their meeting held on June 14, 2018 have recommended a final dividend for the year ended March 31, 2018 of Rs 33 per equity share of face value of Rs 10 each and the shareholders have approved the same at their meeting held on June 15, 2018. The shareholders in their meeting on June 15, 2018 have also approved the interim dividend for the financial year 2017-18 of Rs. 13 per equity share declared by the Board of Directors vide circular resolution dated April 19, 2017.

D. Bonus Issue:

The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

E. ESOP / ESAR

The shareholders of the Company, at their meeting held on June 15, 2018, have approved the following schemes:

a. Employees Stock Appreciation Rights 2018 (ESAR); and
b. Employees Stock Option Plan 2018 (ESOP)

Under ESAR, 250,000 equity shares have been reserved and under ESOP, 50,000 equity shares have been reserved, for issuance. The Company has, on June 23, 2018 granted 164,688 ESARs to an employee at an exercise price of Rs 361 per ESAR. The ESAR's vest over a period of 2 years equally and are exercisable over a period of 3 years from the date of vesting.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 38 - Standalone Summary Transactions of First Time Ind AS adoption reconciliations

(i) Reconciliation of Equity

Particulars	Note reference	As at March 31, 2017	As at March 31, 2016 (Proforma)
Share capital		30.61	30.61
Reserves		784.27	598.27
Equity as per previous GAAP		**814.88**	**628.88**
Add/(Less): Ind AS and other adjustments			
Recognition of government grant as per Ind AS 20	1	21.12	20.49
Incremental depreciation on account of recognition of government grant as per Ind AS 20	1	(18.34)	(16.73)
Change in accounting treatment of processing fee incurred with respect to Term loans availed from Banks	2	0.35	0.69
Incremental amortisation on account of fair valuation of intangible assets acquired in business combination as per Ind AS 103	4	(0.25)	-
Tax effect on above adjustments		(3.39)	(3.08)
Others	5	-	(21.58)
Equity as per Ind AS		**814.37**	**608.67**

(ii) Reconciliation of Total Comprehensive Income

Particulars	Note reference	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Profit as per Indian GAAP		**186.00**	**161.11**
Add/(Less): Adjustment under Ind AS and others			
Recognition of government grant as per Ind AS 20	1	0.63	-
Incremental depreciation on account of recognition of government grant as per Ind AS 20	1	(1.61)	(1.96)
Change in accounting treatment of processing fee incurred with respect to Term loans availed from Banks	2	(0.34)	(0.33)
Recognition of actuarial (gain)/loss in Other Comprehensive Income	3	(0.30)	(5.78)
Incremental amortisation on account of fair valuation of intangible assets acquired in business combination as per Ind AS 103	4	(0.25)	-
Tax effect on above adjustments		(0.21)	2.68
Others	5	21.58	(21.58)
Profit as per Ind AS		**205.50**	**134.14**
Other Comprehensive Income:			
Recognition of actuarial gain/(loss) in Other Comprehensive Income	3	0.30	5.78
Income Tax on above		(0.10)	(2.00)
Total Comprehensive Income as per Ind AS		**205.70**	**137.92**

S.No.	Explanatory Note
1	Under previous GAAP, the benefit received on account of customs duty waiver upon import of capital goods (Plant and machinery) under EPCG scheme is not considered in the carrying amount of respective assets. However, under Ind AS the benefit received on account of customs duty waiver is capitalised as cost of acquisition of the asset by recognising corresponding deferred government grant income liability. The said deferred government grant income liability will be recognised as government income to the statement of profit and loss as and when the conditions attached with respect to such import of capital goods are met. The impact of the above has consequentially resulted in incremental depreciation on plant and machinery that are imported through EPCG scheme and recognition of "Government grant income".
2	Under previous GAAP, transaction cost incurred towards origination of borrowings was expensed off as and when the same is incurred. However, as per Ind AS 109, such transaction costs are deducted from the carrying amount of borrowings on initial recognition. These transaction costs are recognised in the statement of profit and loss over the tenure of the loan, as interest expense by applying Effective Interest Rate method (EIR).
3	Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses are recognised in other comprehensive income. Hence, on recognition of actuarial gain / loss in other comprehensive income there is an decrease / increase in profit.
4	During the financial year 2016-17, the Company has acquired the business of manufacture, sale and service of rice milling machinery from a party. Under Indian GAAP, the assets acquired under this transaction were recorded at the transaction amounts. Under Ind AS, the assets acquired in the said transaction are measured at fair values and the difference between the consideration paid and fair value of assets acquired is recognised as Goodwill. On account of this, there is an increase in the carrying amount of know how. Accordingly, amortisation for the year ended March 31, 2017 has also increased to the extent of INR 0.25 Millions.
5	Post migration in to SAP ERP from April, 1, 2014, the Company introduced automated module for valuation of Work in progress (WIP). The said module was being tested by the management by comparing the results with actual WIP available after physical count on month to month basis and valuing the same using a manual computation. However, as at March 31, 2016, the valuation for WIP was recorded using automated module in addition to the WIP recorded based on physical count, thereby resulting in recording of additional WIP of Rs. 33 Million as at March 31, 2016. Subsequent to March 31, 2016, the Company's management identified and adjusted the same and charged the excess value of WIP to cost of material consumed in the Statement of profit and loss account in the year ended March 31, 2017. Post adoption of Ind AS with transition date of April 1, 2016, the Company has appropriately adjusted the above impact in the year 2015-16 along with the related tax impact. The post-tax impact arising out of this adjustment is Rs.21.58 Million.

(iii) There is no impact on cash flows from operating activities, investing activities and financing activities on account of Ind AS.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 39: Restated Standalone Summary Statement of Tax Shelters

Particulars		**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**For the year ended March 31, 2016 (Proforma)**
Restated Profit before current and deferred taxes	**(A)**	464.08	310.10	203.52
Enacted income tax rate in India	**(B)**	34.608%	34.608%	34.608%
Tax expense at above rate	**(C)**	160.61	107.32	70.44
Adjustments - Tax effect:				
On account of non-deductible expenses under income tax (expenses incurred towards corporate social responsibility, disallowance u/s 14A of Income-tax Act, 1961 and others)		1.12	0.71	0.05
On account of Income exempt under income tax (dividend income)		(3.03)	(3.14)	(0.29)
Others		0.73	(0.29)	(0.82)
Total	**(D)**	**(1.18)**	**(2.72)**	**(1.06)**
Total current tax expenses as per statement of profit and loss		**159.43**	**104.60**	**69.38**

MILLTEC Machinery Limited
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 40: Restated Standalone Summary Statement of Accounting Ratios

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016 (Proforma)
Basic and Diluted Earnings Per Share (Rs.)			
Basic Earnings Per Share (Basic EPS)			
Restated profit after tax attributable to equity shareholders	304.65	205.50	134.14
Weighted average number of Equity Shares outstanding (pre-bonus issue)	3,061,224	3,061,224	3,061,224
Bonus issue (refer Note-A below)	6,942,776	6,942,776	6,942,776
Weighted average number of Equity Shares outstanding (post-bonus issue) Refer Note-A below	10,004,000	10,004,000	10,004,000
Basic EPS in Rs. (pre-bonus issue)	99.52	67.13	43.82
Basic EPS in Rs. (post-bonus issue) Refer Note-A below	30.45	20.54	13.41
Face value in Rs.	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)			
Restated profit after tax attributable to equity shareholders	304.65	205.50	134.14
Weighted average number of Shares used for calculating Basic EPS	3,061,224	3,061,224	3,061,224
Effect of dilution	-	-	-
Weighted average number of shares considered for calculating Diluted EPS (pre-bonus issue)	**3,061,224**	**3,061,224**	**3,061,224**
Weighted average number of shares considered for calculating Diluted EPS (post-bonus issue) Refer Note-A below	**10,004,000**	**10,004,000**	**10,004,000**
Diluted EPS in Rs. (pre-bonus issue)	99.52	67.13	43.82
Diluted EPS in Rs. (post-bonus issue) Refer Note-A below	30.45	20.54	13.41
Face value in Rs.	10.00	10.00	10.00
Return on Net worth			
Restated profit after tax	304.65	205.50	134.14
Net worth, as restated (Refer Note-B below)	1,064.46	806.07	600.37
Return on net worth	**28.62%**	**25.49%**	**22.34%**
Net Asset Value Per Equity Share (Rs.)			
Net asset value (Net-worth), as restated (Refer Note-B below)	1,064.46	806.07	600.37
Number of equity shares outstanding at the year end	3,061,224	3,061,224	3,061,224
Number of adjusted equity shares outstanding at the year end (pre-bonus issue)	**3,061,224**	**3,061,224**	**3,061,224**
Number of adjusted equity shares outstanding at the year end (post-bonus issue) Refer Note-A below	**10,004,000**	**10,004,000**	**10,004,000**
Net assets value per equity share (Rs.) (pre-bonus issue)	**347.72**	**263.32**	**196.12**
Net assets value per equity share (Rs.) (post-bonus issue) Refer Note-A below	**106.40**	**80.58**	**60.01**

The ratios have been computed as per the following formulae:
(i) Basic and Diluted Earnings per Share:

$$\frac{\text{Restated Profit after tax for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV):

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%):

$$\frac{\text{Restated Profit after tax for the year}}{\text{Net worth (refer below), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve, capital reserve arising from amalgamation, where applicable), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note-A - Bonus Issue:

The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

Note-B:

Networth / Net Asset Value (NAV), as restated, is as at March 31, 2018.
The shareholders, in their meeting held on June 15, 2018, have approved final dividend for the year ended March 31, 2018 of Rs 33 per equity share resulting in a cash outflow of Rs 121.79 million (including dividend distribution tax of Rs 20.77 million). The shareholders in the above referred meeting, have also approved interim dividend for the year 2017-18 of Rs.13 per equity share declared by the Board of Directors vide circular resolution dated April 19, 2017.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Ind AS Financial Information
(Amount in Rupees Millions except shares data or as otherwise stated)

Annexure 41: Capitalisation statement as at March 31, 2018

Particulars	Pre-offer as at March 31, 2018	As adjusted for offer (Refer Note-iv below)
Debt		
Non-current financial liabilities - Borrowings (A)	9.47	
Current maturities of long-term debt (B)	1.93	
Total borrowings (C = A+B)	**11.40**	**-**
Shareholder's funds		
Share capital	30.61	
Other equity, as restated:		
Securities premium	33.29	
Capital Reserve	8.30	
Surplus in statement of profit and loss	1,000.56	
Total shareholder's funds (D)	**1,072.76**	**-**
Long-term debt / Equity (A/D)	0.01	-
Total debt / Equity	0.01	-

Notes:
i. Long-term debt / Equity:

$$\frac{\text{Non-current financial liabilities - Borrowings}}{\text{Total shareholder's funds}}$$

ii. Total debt / Equity:

$$\frac{\text{Total borrowings}}{\text{Total shareholder's funds}}$$

iii. Long term borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long-term borrowings.

iv. The Company is proposing an Initial public offering through offer for sale. Hence, there will be no change in the shareholder's funds post issue.
v. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 1A: Restated Standalone Summary Statement of Assets and Liabilities

Particulars	Annexure No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	**6A**	30.61	30.00
Reserves and surplus	**7A**	437.16	268.37
Total (A)		**467.77**	**298.37**
Non-current liabilities			
Long-term borrowings	**8A**	197.50	265.74
Other long-term liabilities	**9A**	1.57	35.27
Long-term provisions	**10A**	4.66	2.61
Total (B)		**203.73**	**303.62**
Current liabilities			
Trade payables	**11A**	176.20	191.24
Other current liabilities	**12A**	170.17	192.67
Short-term provisions	**13A**	31.89	13.81
Total (C)		**378.26**	**397.72**
TOTAL D=(A + B + C)		**1,049.76**	**999.71**
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	**14A**	328.73	299.08
Intangible assets	**14A**	7.69	0.16
Capital work-in-progress		-	8.45
Non-current investments	**15A**	12.34	12.24
Deferred tax assets (net)	**16A**	8.45	7.80
Long-term loans and advances	**17A**	101.39	102.74
Other non- current assets	**18A**	15.89	11.33
Total (E)		**474.49**	**441.80**
Current assets			
Current investments	**19A**	25.30	4.31
Inventories	**20A**	200.35	206.74
Trade receivables	**21A**	278.94	272.60
Cash and cash equivalents	**22A**	29.70	63.72
Short-term loans and advances	**23A**	40.02	8.79
Other current assets	**24A**	0.96	1.75
Total (F)		**575.27**	**557.91**
TOTAL G=(E+F)		**1,049.76**	**999.71**

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership Number :206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 2A : Restated Standalone Summary Statement of Profit and Loss

Particulars	Annexure No.	For the year ended March 31, 2015	For the year ended March 31, 2014
REVENUE			
Revenue from operations (gross)	**25A**	1,621.90	1,829.69
Less: Excise duty	**25A**	-	-
Revenue from operations (net) (A)		**1,621.90**	**1,829.69**
Other Income (B)	**26A**	12.42	18.37
Total revenue C = (A + B)		**1,634.32**	**1,848.06**
EXPENSES			
Cost of materials consumed	**25A**	837.21	885.40
Purchase of stock-in-trade	**25A**	13.56	4.47
Changes in inventories of work-in-progress and semi-finished goods	**25A**	(41.64)	17.01
Employee benefits expense	**25A**	197.76	170.03
Finance costs	**25A**	49.10	52.47
Depreciation and amortisation expense	**14A**	35.17	25.45
Other expenses	**25A**	277.28	343.48
Total expenses (D)		**1,368.44**	**1,498.31**
Restated profit before tax E = (C-D)		**265.88**	**349.75**
TAX EXPENSE			
Current tax		90.80	132.50
Deferred tax		(0.65)	(6.90)
Net tax expense (F)		**90.15**	**125.60**
Restated profit for the year G = (E - F)		**175.73**	**224.15**
Earnings per share (Rs.10/- each):			
-Basic (in Rs.)	**27A**	58.03	74.72
-Diluted (in Rs.)	**27A**	58.03	73.48

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 3A: Restated Standalone Summary Statement of Cash Flows

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash flows from operating activities		
Restated profit before tax	**265.88**	**349.75**
Adjustment for		
Depreciation and amortisation expense	35.17	25.45
Loss on fixed assets sold / scrapped	-	3.25
Bad trade receivables, loans and advances written off	-	3.14
Finance costs	46.71	50.45
Provision for doubtful trade receivables	2.32	0.04
Preliminary expenses written off	-	0.17
Interest income	(5.32)	(4.03)
Dividend income	(0.60)	(6.41)
Profit on sale of fixed assets	-	(0.03)
Rental income from land given on lease	(1.50)	(1.50)
Net unrealised exchange (gain)/loss	0.65	-
Operating profit before working capital changes	**343.31**	**420.28**
Adjustments for working capital changes		
Inventories	6.39	(6.20)
Trade receivables	(8.26)	16.39
Loans and advances and other assets	(35.22)	6.33
Trade payables and other liabilities	(38.69)	72.02
Cash generated from operations	**267.53**	**508.82**
Direct taxes paid (net of refunds)	(72.63)	(160.66)
Net cash flows generated from operating activities	**194.90**	**348.16**
Cash flows from investing activities		
Purchase of fixed assets	(61.47)	(38.50)
Sale proceeds of fixed assets	-	1.07
Redemption of mutual funds and other investments	-	324.87
Investments made in subsidiaries	(0.10)	(695.60)
Investments made in other than subsidiaries	(20.99)	-
Interest received	0.95	-
Dividend received	0.60	6.41
Deposits matured/(placed)	0.08	0.08
Rent received	1.76	1.38
Net Cash flows (used-in) investing activities	**(79.17)**	**(400.29)**
Cash flows from financing activities		
Long-term borrowings availed during the year	-	350.00
Long-term borrowings repaid during the year	(61.80)	(2.50)
Interest paid	(47.64)	(47.50)
Dividends paid including dividend tax	(40.23)	(230.32)
Net Cash flows generated/ (used-in) from financing activities	**(149.67)**	**69.68**
Net increase in cash and cash equivalents	**(33.94)**	**17.55**
Cash and cash equivalents as at the beginning of the year	63.64	43.85
Add: Acquired consequent to amalgamation (Refer Annexure 5B(a))	-	2.40
Less: Not considered as cash and cash equivalents	-	(0.08)
Cash and cash equivalents at the end of the year	**29.70**	**63.72**

The above statement should be read with the notes to restated standalone summary statement of assets and liabilities, profit and loss and cash flows as appearing in Annexures 4A to 29A.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Sathya P. Koushik
Partner
Membership Number: 206920

Place: Bengaluru
Date: June 29, 2018

For and on behalf of the Board of Directors

J. Rajendran
Director
DIN: 02505486

R. Ravindranath
Director
DIN: 00212085

Ganapathy Subramaniam
Chief Financial Officer

Kavita Manta
Company Secretary

Place: Bengaluru
Date: June 23, 2018

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 4A: Summary Statement of Adjustments to the Audited Standalone Financial Statements

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Net profit for the year (as per audited financial statements) (A)		**175.73**	**224.15**
Restatement adjustments		**-**	**-**
Total effect of adjustments (B)		**-**	**-**
Net effect of increase in profit/ (loss) on adjustments after tax (C) = (A - B)		**-**	**-**
Net Profit for the year as restated (D) = (A + C)		**175.73**	**224.15**

Annexure 5A: Standalone Summary Statement of Significant Accounting Policies and Explanatory Notes

(a) Corporate information

MILLTEC Machinery Limited (Formerly known as MILLTEC Machinery Private Limited), incorporated in 1998, is a Bangalore based manufacturer of rice milling equipment. Milltec supplies equipment's to the rice milling industry and has an established presence across the value chain from cleaning, dehusking, and polishing to grading.

(b) Basis of preparation and presentation of Restated Standalone Financial Information

The Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2015 and 2014, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended 31 March 2015 and 2014 and the Standalone Summary of Significant Accounting Policies (collectively, the "Restated Standalone Financial Information") of the Company have been prepared solely for the purpose of preparation of the Restated Financial Information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India ('SEBI') Act, 1992 ('ICDR Regulation') in connection to the proposed initial public offering of the Company, to be filed by the Company with SEBI, in accordance with the requirements of:

(i) Section 26 of the Companies Act, 2013;
(ii) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI regulations"); and
(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time.

The Restated Standalone Financial Information have been prepared by making necessary adjustments to the audited standalone financial statements of the Company as at and for the years ended March 31, 2015 and 2014 which were approved by the Board of Directors at their meetings held on September 25, 2015 and October 17, 2014, respectively.
The principal accounting policies are set out below. The Restated Standalone Financial Information is presented in Indian Rupees (INR) and all values are rounded to the nearest millions up to two decimals, except where otherwise indicated.

(c) Principal accounting policies

Use of estimates

The preparation of the financial information in conformity with Indian GAAP requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial Information and reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known to materialise.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores & spares are valued at weighted average cost.
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Fixed assets

Fixed assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Annexure 5A: Standalone Summary Statement of Significant Accounting Policies and Explanatory Notes

Depreciation and Amortization
Depreciation has been provided on the written down value method as per the rates prescribed in Schedule II to the Companies Act, 2013.

Assets costing less than Rs. 5,000/- each are fully depreciated in the year of capitalisation.

Intangible assets in the nature of software are written off over the estimated useful life of 5 years.

Revenue recognition
Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers in accordance with the arrangements with them.

Revenue from services, commission income, and consultancy services are recognised when services are rendered and related costs are incurred.

Interest income is recognised on time proportion basis at the applicable interest rates.

Dividend income is accounted for when the right to receive the same is established

Foreign currency transactions
Transactions in foreign currency are recognised at the rate of exchange ruling on the date of the transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities are restated at rates ruling at the year end and all exchange gains/losses arising there from are adjusted to the Statement of Profit and Loss.

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

Employee benefits
All short term employee benefits such as salaries, wages, bonus, medical benefits and compensated absences which fall due within twelve months of the period in which the employee renders the related services which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of Profit and Loss.
Defined contribution plans
The Company has defined contribution plans for post-employment benefits namely provident fund. Under the Provident Fund plan, the Company contributes to a government administered provident fund on behalf of its employees and has no further obligations beyond making its contribution.

The Company makes contributions to state plans namely Employees' State Insurance Fund and Employees' Pension Scheme, 1995 and has no further obligation beyond making the payment to them.

The Company’s contributions to the above funds are charged to revenue every year.

Defined benefit plan
Liability for gratuity is funded in terms of a scheme administered by Life Insurance Corporation of India and is determined by actuarial valuation carried out by an independent actuary using Projected Unit Credit method at the end of each financial year. Provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

Other employee benefits
Other employee benefit in the nature of compensated absences is recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Provision for estimated liability is made on the basis of actuarial valuation using the Projected Unit Credit method and is not funded .Actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss.

Annexure 5A: Standalone Summary Statement of Significant Accounting Policies and Explanatory Notes

Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Provisions and Contingent liabilities

A Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All material known liabilities are provided for and liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts. Contingent assets are not recognised in the financial information.

Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classification of assets and liabilities as current and noncurrent.

(d) Acquisition of MIPL and MOPL and merger of the same with the Company

During the year ended 31 March 2014, the Company entered into share purchase agreements with erstwhile shareholders of M/s Milltec Industries Bangalore Private Limited (MIPL) and M/s Milltec Outsourcing Private Limited (MOPL) for buying out the entire share capital of these entities. The consideration payable by the Company under these arrangements aggregated as follows:

In the case of MIPL, 500,000 shares were purchased at Rs. 580 Million and the balance 500,000 shares were purchased at Rs. 117.90 Million aggregating the consideration to Rs. 697.90 Million.

In the case of MOPL, 2,000,000 shares were purchased at Rs. 31.60 Million.

The above consideration has been settled to the extent stated below:

In respect of purchase of shares of MIPL, the consideration was to be settled by the Company by way of cash aggregating to Rs. 584 Million to the erstwhile shareholders and the balance of Rs. 33.90 Million to be settled by way of issued of 61,224 shares in the Company. As at 31 March 2014, the cash component stated above has been paid to the erstwhile shareholders and an amount of Rs. 33.90 Million has been carried as a long-term liability in the books of the Company representing the amount to be settled by the issue of the shares.

In respect of purchase of shares of MOPL, the Consideration has been paid out during the year ended 31 March 2014. Pursuant to the above arrangement, MIPL and MOPL became subsidiaries of the Company.

MIPL was engaged in the manufacture of machines used for cleaning, grading, sorting, milling of seeds and grains and predominantly acting as a captive manufacturer for the Transferee Company. MOPL was engaged in providing consultancy services.

Subsequent to the above acquisitions, the Board of Directors of the Company (hereinafter referred to as the "Transferee Company") and that of MIPL and MOPL (together referred to as the "Transferor Companies") approved a scheme of arrangement under which the Transferor Companies were to be merged with the Transferee Company with an appointed date of 01 April 2013. The scheme was approved by the Honourable High Court of Karnataka vide Order dated 08 April 2014. Pursuant to the above, the Transferor Companies have merged with the Transferee Company upon which the undertaking and the entire business including all assets and liabilities of the Transferor Companies stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under the Purchase method and the assets and liabilities transferred have been recorded at their fair value as determined by the Board of Directors of the Transferee Company. The Scheme approved by the Honourable High Court of Judicature was effective on 22 April 2014 ('the effective date') being the date on which all the formalities have been completed.

The Transferor Companies were wholly owned subsidiaries of the Transferee Company and the Transferee Company along with nominee shareholders held all the shares issued by the Transferor Companies. Hence, on the amalgamation of the Transferor Companies with the Transferee Company, no shares of the Transferee Company were issued or allotted in respect of the holding of the Transferee Company in the Transferor Companies and the entire equity share capital of the Transferor Companies held by the Transferee Company along with the nominee shareholders stood cancelled.

The fair value of assets and liabilities of the Transferor Companies acquired by the Transferee Company and the treatment of difference between the net assets acquired and cost of the investments by the Transferee Company in the Transferor Companies is as follows:

(Amount in Rupees Millions except for share data or as otherwise stated)

Acquisition of MIPL and MOPL and merger of the same with the Company (continued)

Particulars	MIPL	MOPL
Fixed assets		
Plant and machinery	55.17	-
Tools and equipment	5.79	-
Furniture and fittings	0.65	-
Computers	0.28	-
Office equipment	1.13	-
Vehicles	0.01	
Land and building	180.10	-
	243.13	**-**
Other assets		
Non-current investments	-	11.00
Long term loans and advances	0.44	-
Current investments	10.66	43.50
Other non current assets	-	8.34
Inventories	80.20	-
Trade receivables	27.86	-
Cash and cash equivalents	2.40	-
Short-term loans and advances	21.82	-
Deferred tax assets (net)	1.60	-
	144.98	**62.84**
Total assets	**388.11**	**62.84**
Less: Liabilities		
Long-term borrowings	3.10	17.10
Current liabilities	72.68	5.84
	75.78	**22.94**
Net assets	**312.33**	**39.90**
Less: Purchase consideration	697.90	31.60
Goodwill / (capital reserve)	**385.57**	**(8.30)**

Pursuant to the Scheme, Goodwill of Rs. 385.57 Million has been written off to the General Reserve to the extent available (of Rs. 63.57 Million) and the balance against the Surplus in the Statement of Profit and Loss (to the extent of Rs. 322 Million).

(e) Contingent liabilities and commitments

Particulars	As at March 31, 2015	As at March 31, 2014
Contingent liabilities		
Pertaining to labour matters	3.78	3.78
Commitments		
Letter of credits discounted with banks	9.00	95.59
Estimated amount of contracts to be executed on capital account and not provided for	18.87	9.83

The Company has also provided a letter of support to the Management of M.S.Sorters Private Limited (MSPL) (a subsidiary) undertaking to extend financial support to enable MSPL meet its obligations on a going concern basis.

(f) Employee benefits

The disclosure requirements in respect of Accounting Standard 15 “Employee benefits” are as given below.

Defined contribution plans:

Employer’s contribution to provident fund and pension scheme and employees’ state insurance

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Employer’s contribution to provident fund and pension scheme *	4.72	2.67
Employer’s contribution to employees state insurance corporation	1.17	0.96

* Included in “Contributions to provident and other funds”

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Defined benefit plan:
Actuarial valuation was carried out as at 31 March 2015 and the relevant disclosures in this regard are as follows:-

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Components of employer expense		
Current service cost	2.61	2.39
Interest cost	1.29	0.52
Expected return on plan assets	(0.69)	(0.43)
Curtailment cost/(credit)	-	-
Actuarial losses/(gains)	2.04	3.67
Total expense recognised in the Statement of Profit & Loss	**5.25**	**6.15**
Net asset/(liability) recognised in Statement of Assets & Liabilities		
Present value of defined benefit obligation (DBO)	17.30	11.90
Fair value of plan assets	10.64	8.29
Funded status [surplus/(deficit)]	**(6.66)**	**(3.61)**
Unrecognized past service costs	-	-
Net asset / (liability) recognised in Statement of Assets & Liabilities	**(6.66)**	**(3.61)**
Current	(2.00)	(1.00)
Non-current	(4.66)	(2.61)
Total (asset) / liability recognised in the Statement of Assets & Liabilities	**(6.66)**	**(3.61)**
Change in defined benefit obligations		
Present value of DBO at beginning of period	11.90	4.15
Current service cost	2.61	2.39
Interest cost	1.29	0.52
Actuarial (gains)/ losses	1.99	4.05
Benefits paid	(0.43)	(0.22)
Liabilities assumed on acquisition	(0.06)	1.01
Present Value of DBO at the end of period	**17.30**	**11.90**
Change in fair value of assets		
Plan assets at beginning of period	8.29	5.35
Expected return on plan assets	0.69	0.44
Actual contributions	2.14	0.61
Benefits paid	(0.43)	(0.22)
Actuarial gains/ (losses)	(0.05)	0.38
Assets acquired on amalgamation	-	1.73
Plan assets at the end of period	**10.64**	**8.29**

(Amount in Rupees Millions except for share data or as otherwise stated)

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Actuarial assumptions used in valuation of gratuity and compensated absences		
Discount rate	8.10%	9.05%
Expected return on plan assets	8.00%	8.00%
Withdrawal rate		
Age (years 21-30)	2%	2%
Age (years 31-59)	1%	1%
Retirement age (years)	60	60
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

Experience adjustments

	March 31, 2015	**March 31, 2014**
Defined benefit obligation	17.30	11.90
Plan assets	10.64	8.29
(Surplus) / Deficit	(6.66)	(3.61)
Experience adjustments on plan liabilities	(0.63)	0.98
Experience adjustments on plan assets	(0.04)	0.38

Composition of the plan assets as made available by Life Insurance Corporation of India, the fund manager.

Category of Investments	**As at March 31, 2015**	**As at March 31, 2014**
Central Government Securities	3.34	2.60
State Government Securities	1.14	0.89
Other Approved Securities (Government Guaranteed Securities)	0.14	0.11
Debentures and Bonds	4.56	3.55
Equity Shares	0.56	0.43
Fixed Deposits	0.89	0.69
CBLO (Money Market Instruments)	0.02	0.02
Total	10.65	8.29

The Company is expected to contribute Rs.2 Million to the gratuity fund for the year ending 31 March 2016

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Compensated absence

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Amount charges to Statement of Profit and Loss in the year	4.38	5.00
Net liability	9.45	5.81

(g) Segment reporting

The Company is primarily engaged in selling rice milling related equipment's, spares and services and the majority of the revenues are generated within India. As such the Company's business activity primarily falls within a single business segment based on the nature of activity involved, which is in line with the business risks attached with the segment, having regard to the internal organisation and Management structure. Accordingly, primary reporting disclosures for business segment, as envisaged in Accounting Standard 17 "Segment Reporting" is not applicable.

(h) Leases

The Company has taken and given certain premises under operating leases on cancellable basis.

The total lease rent debited to the Statement of Profit and Loss is Rs. 1.74 Million [Previous year Rs 1.58 Million] and is disclosed as rent in other expenses and the total lease rent credited to the Statement of Profit and Loss is Rs. 1.50 Million [Previous year Rs. 1.50 Million]. The lease is renewable by mutual consent and there are no contingent rent payments. There are no sub-leases payments received / receivable. There is no purchase option in the lease agreements

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

(i) Details of provisions

Particulars	Probable outflow estimated with in	1-Apr-14	Additions	Utilisation	Reversal (withdrawn as no longer required)	31-Mar-15
Provision for warranty	One Year	7.00	10.70	12.10	-	5.40
Previous year		-	*7.00*	-	-	*7.00*

(j) The Company had entered into contracts with private limited companies in which two of the directors of the Company are interested which required prior approval of the Central Government under section 297 of the Companies Act, 1956, for which the Company has received a compounding order from appropriate authorities for the period up to 15 August 2013. The Company has obtained Central Government approval for the period from 16 August 2013 to 15 August 2016 in respect of such transactions.

(k) Certain trade receivables referred to in Annexure 21A are covered by letters of credit / bank guarantees.

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Standalone Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 6A: Restated Summary Statement of Share Capital

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
6,100,000 (2014: 6,100,000) Equity Shares of Rs.10 each	61.00	61.00
Issued, Subscribed and Paid up		
3,061,224 (2014: 3,000,000) Equity Shares of Rs.10 each	30.61	30.00

Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2015	As at March 31, 2014
	Number of shares	
Balance as at the beginning of the year	3,000,000	3,000,000
Movement during the year	61,224	-
Balance outstanding as at the end of the year	**3,061,224**	**3,000,000**

Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend, if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of shares held by shareholders holding more than 5% of the aggregate shares in the company

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	%	Number of shares	%
Mr. J. Rajendran	630,612	20.60%	600,000	20.00%
Mr. R. Ravindranath	630,612	20.60%	600,000	20.00%
M/s. Multiples Private Equity Fund	382,050	12.48%	382,050	12.74%
M/s. Multiples Private Equity Fund I Limited	1,117,950	36.52%	1,117,950	37.27%

Information regarding issue of shares in the last five years

(a) The Company had reserved 61,224 equity shares as at March 31, 2014 for issuance in connection with acquisition of shares in MIPL which has merged with the Company, and the same has been issued during the year ended March 31, 2015 (Refer Annexure 5A(d)).

(b) The Company has not undertaken any buy-back of shares.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 7A: Restated Standalone Summary Statement of Reserves and Surplus

Particulars	As at March 31, 2015	As at March 31, 2014
General reserve		
Opening balance	-	63.57
	-	**63.57**
Less: Adjustment on merger (Refer Annexure 5A(d))	-	(63.57)
Closing balance	-	-
Capital Subsidy	**0.48**	**0.48**
Capital Reserve (Refer Annexure 5A(d))		
Opening Balance	8.30	
Less : Adjustment on merger	-	8.30
Closing Balance	**8.30**	**8.30**
Securities premium account		
Opening balance	-	-
Add: Equity shares issued during the year	33.29	
Closing balance	**33.29**	-
Surplus in Statement of Profit and Loss		
Opening balance	259.59	358.96
Add: Profit for the year	175.73	224.15
Less: Interim dividend		
Interim dividend distributed to equity shareholders Rs. 22.35 per share (PY Rs. Nil)	(33.53)	-
Tax on dividend (refer note below)	(6.70)	(1.52)
Adjustment on merger: (Refer Annexure 5A(d))	-	(322.00)
Closing balance	**395.09**	**259.59**
Total	**437.16**	**268.37**

Notes:

(i) In terms of the Articles of Association of the Company, shareholders may waive their rights to receive dividends paid by the Company. Pursuant to the above, certain shareholders of the Company holding 1,500,000 shares have irrevocably and unconditionally waived their rights to dividends that the Company may declare in the period September 1, 2014 to December 31, 2014. Accordingly, dividends declared in the said period amounting to Rs. 22.35 per share has not been accrued to the extent of 1,500,000 shares referred above. Also refer Note-A below.

(ii) Tax on dividend of Rs.1.52 Million during the year ended March 31, 2014 relates to short provision for dividends during the year ended March 31,2013.

Note A : Restated Standalone Summary Statement of Dividend Paid / Proposed by the Company

Particulars	As at March 31, 2015	As at March 31, 2014
Equity shares		
Number of shares	3,061,224	3,000,000
Face value (Rs.)	10.00	10.00
Amount	30.61	30.00
Final dividend		
Rate of dividend (%)	223.50	-
Dividend per Share (Rs.)	22.35	-
Amount of dividend	33.53	-
Corporate dividend tax	6.70	-

MILLTEC Machinery Limited

(Formerly known as MILLTEC Machinery Private Limited)

Restated Standalone Financial Information

(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 8A: Restated Standalone Summary Statement of Long-term borrowings

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Secured loans		
Term loans from financial institutions (Refer note below)	197.50	265.74
Total	**197.50**	**265.74**

Term loan balance as at 31 March 2015 consist of:

Term loan 1 - Rs. 177.56 Million (2014: 265.74 Million): has been availed at an interest rate of 12.6% and is repayable within 42 months from the date of disbursement in 14 quarterly instalments. This loan has been secured on the hypothecation of inventory and receivables and all other current assets of the Company.

Term loan 2 - Rs. 19.94 Million (2014: Rs. Nil): has been availed at an interest rate of 12.6% per annum and is repayable within 36 months (including moratorium of 2 months) from the date of disbursement in 34 monthly instalments. This loan has been secured by hypothecation of the assets to be purchased using the said term loan.

The above loans are collaterally secured by the land and building and unencumbered plant and machinery of the Company.

Annexure 9A: Restated Standalone Summary Statement of Other long-term liabilities

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Trade / Security deposits received	1.57	1.37
Payable on acquisition of shares (Refer Annexure 5A(d))	-	33.90
Total	**1.57**	**35.27**

Annexure 10A: Restated Standalone Summary Statement of Long-term provisions

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Provision for employee benefits:		
Gratuity	4.66	2.61
Total	**4.66**	**2.61**

Annexure 11A: Restated Standalone Summary Statement of Trade Payables

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Trade Payables		
Other than acceptances	176.20	191.24
Total	**176.20**	**191.24**

Annexure 12A: Restated Standalone Summary Statement of Other current liabilities

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Current maturities of long-term debt (Refer Annexure 8A)	88.20	81.76
Interest accrued but not due on borrowings	2.03	2.95
Other payables		
Statutory remittances	5.76	10.54
Payables on purchase of fixed assets	0.98	0.09
Advances from customers	73.20	97.33
Total	**170.17**	**192.67**

Annexure 13A: Restated Standalone Summary Statement of Short term provisions

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Provision for employee benefits		
Compensated absences	9.45	5.81
Gratuity	2.00	1.00
Provision - Others:		
Income tax (net of advance tax)	14.03	-
Proposed equity dividend	-	-
Tax on proposed dividends	1.01	-
Warranty	5.40	7.00
Total	**31.89**	**13.81**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 14A: Restated Standalone Summary Statement of Fixed Assets

Particulars	Gross block					Accumulated depreciation and amortisation				Net block	
	As at 1-Apr-14	Acquisitions through business combinations (Refer Annexure 5A(d))	Additions	Disposals	As at 31-Mar-15	As at 1-Apr-14	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Tangible assets (Owned)											
Freehold land	125.34	-	-	-	125.34	-	-	-	-	125.34	125.34
(Refer note (ii) below)	*14.45*	*110.43*	*0.46*	-	*125.34*	-	-	-	-	*125.34*	
Buildings	133.60	-	0.60	-	134.20	35.91	9.29	-	45.20	89.00	97.69
	63.09	*69.67*	*0.84*	-	*133.60*	*25.08*	*10.83*	-	*35.91*	*97.69*	
Plant and machinery	60.79	-	44.27	-	105.06	12.46	12.33	-	24.79	80.27	48.33
	6.51	*55.17*	*2.01*	*2.90*	*60.79*	*4.11*	*8.75*	*0.40*	*12.46*	*48.33*	
Electrical equipment's	3.63	-	-	-	3.63	1.72	0.34	-	2.06	1.57	1.91
	3.91	-	*0.01*	*0.29*	*3.63*	*1.61*	*0.34*	*0.23*	*1.72*	*1.91*	
Tools and Patterns	22.20	-	7.01	-	29.21	9.87	2.83	-	12.70	16.51	12.33
	16.43	*5.79*	*1.47*	*1.49*	*22.20*	*8.43*	*2.40*	*0.96*	*9.87*	*12.33*	
Furniture and fixtures	7.53	-	0.49	-	8.02	3.80	1.13	-	4.93	3.09	3.73
	4.66	*0.65*	*2.27*	*0.05*	*7.53*	*3.20*	*0.64*	*0.04*	*3.80*	*3.73*	
Office equipment	5.16	-	1.56	-	6.72	1.59	0.80	-	2.39	4.33	3.57
	2.58	*1.13*	*1.78*	*0.33*	*5.16*	*1.27*	*0.49*	*0.17*	*1.59*	*3.57*	
Vehicles	7.72	-	-	-	7.72	6.89	0.74	-	7.63	0.09	0.83
	14.39	*0.01*	-	*6.68*	*7.72*	*12.32*	*0.33*	*5.76*	*6.89*	*0.83*	
Computers	10.34	-	5.43	-	15.77	8.11	4.14	-	12.25	3.52	2.23
	10.63	*0.28*	*1.20*	*1.77*	*10.34*	*8.61*	*1.18*	*1.68*	*8.11*	*2.23*	
R & D equipment's	3.55	-	3.78	-	7.33	0.43	1.89	-	2.32	5.01	3.12
	-	-	*3.55*	-	*3.55*	-	*0.43*	-	*0.43*	*3.12*	
Total	**379.86**	**-**	**63.14**	**-**	**443.00**	**80.78**	**33.49**	**-**	**114.27**	**328.73**	**299.08**
Previous year	***136.65***	***243.13***	***13.59***	***13.51***	***379.86***	***64.63***	***25.39***	***9.24***	***80.78***	***299.08***	

Particulars	Gross block					Accumulated depreciation and amortisation				Net block	
	As at 1-Apr-14	Acquisitions through business combinations (Refer Annexure 5A(d))	Additions	Disposals / Adjusted against Reserve	As at 31-Mar-15	As at 1-Apr-14	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	As at 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Intangible assets (Other than internally generated)											
Copyrights, patents and other intellectual property rights, services and operating rights	2.02			-	2.02	1.86	*0.16*	-	2.02	-	0.16
	2.02	-	-	-	*2.02*	*1.80*	*0.06*	-	*1.86*	*0.16*	*0.22*
Software			9.21		9.21		1.52		1.52	7.69	-
	-	-	-	-	-	-	-	-	-	-	-
Goodwill	-		-	-	-	-	-	-	-	-	-
	-	*385.57*	-	*385.57*	-	-	-	-	-	-	-
Total	**2.02**	**-**	**9.21**	**-**	**11.23**	**1.86**	**1.68**	**-**	**3.54**	**7.69**	**0.16**
Previous year	***2.02***	***385.57***	***-***	***385.57***	***2.02***	***1.80***	***0.06***	***-***	***1.86***	***0.16***	

Note

(i) Previous year figures are in italics.

(ii) Includes land with historical cost amounting to Rs. 7.86 Million being used by M/s M.S.Sorters Private Limited, the subsidiary.

(iii) All above assets are owned and used by the Company other than the land as per note (ii).

(iv) Goodwill arising out of the merger of MIPL and MOPL has been adjusted against reserves in line with the Court approved Scheme. (Refer note 5A(d)).

(v) Pursuant to the transition prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets where the remaining useful life of the fixed assets was determined to be Nil as at April 01, 2014.The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 4.36 million consequent to the change in the useful life of the assets.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 15A: Restated Standalone Summary Statement of Non-Current Investments

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Investment in equity shares of a subsidiary (at cost)		
M.S. Sorters Private Limited		
(1,100,000 equity shares of Rs. 10/- each fully paid-up (previous year 1,100,000 equity shares))	11.00	11.00
Agripower Engineering Solutions Private Limited		
(10,000 equity shares of Rs.10/- each fully paid up (previous year Rs. Nil))	0.10	-
Other investments (Quoted)		
Investments in Government bonds	1.24	1.24
1,236 units (PY:1,236) of 8.2% 2022 tax free bonds of National Highways Authority of India of Rs. 1,000/- each		
Total	**12.34**	**12.24**
Aggregate value of quoted investments	1.24	1.24
Aggregate market value of quoted investments	1.35	1.29

Annexure 16A: Restated Standalone Summary Statement of Deferred tax assets / (liabilities)

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Timing differences:		
Allowance on fixed assets	0.14	2.20
Allowance of employee benefits expenses	5.58	3.20
Inventory valuation	-	-
Provision for warranty and doubtful trade receivables	2.73	2.40
Total*	**8.45**	**7.80**

*As at 31.03.2014 includes Deferred tax assets (net) of Rs.1.60 Million acquired on amalgamation (Refer Note 5A(d)).

Annexure 17A: Restated Standalone Summary Statement of Long term loans and advances

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Capital advances	15.00	16.55
Loan to related parties*	38.50	30.00
Advance income tax (net of provisions)	11.24	14.02
Balance with government authorities		
VAT credit receivable	36.65	42.17
Total	**101.39**	**102.74**
Long term loans and advances include amounts due from		
*Private company in which some of the directors of the Company are directors (Note (i))		
M.S. Sorters Private Limited (MSPL)	30.00	30.00
Agripower Engineering Solutions Private Limited (APES)	8.50	-
Firm in which director of the Company is a partner		
Turbo Power and Engineering Solutions	15.00	15.00

Note (i) : The loans and advances provided to MSPL and APES are for purposes of meeting working capital requirements and are at an interest of 12%.

Annexure 18A: Restated Standalone Summary Statement of Other non- current assets

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
(a) Balance held as margin money against guarantees	0.95	
(b) Accruals		
Interest accrued on loans to related parties	14.94	11.33
Total	**15.89**	**11.33**

Note (i) : Other non-current assets include amounts due from:		
Private company in which some of the directors of the Company are directors - M.S. Sorters Private Limited	14.56	11.33
Enterprise in which KMP ceased to have control during the year - Agripower and Engineering Solutions Private Limited	0.38	

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 19A: Restated Standalone Summary Statement of Current Investments

Particulars	As at March 31, 2015	As at March 31, 2014
Current investments in mutual funds (quoted)		
SBI Ultra Short term debt fund - Regular Plan - Daily dividend	15.03	0.30
SBI SHF - Ultra Short term Fund - Institutional Plan - Daily dividend	-	0.49
SBI Premier Liquid Fund - Regular Plan - Daily dividend	10.27	3.52
Total	**25.30**	**4.31**
Aggregate book value of quoted investments	25.30	4.31
Aggregate market value of quoted investments	25.30	4.31

Annexure 20A: Restated Standalone Summary Statement of Inventories

Particulars	As at March 31, 2015	As at March 31, 2014
Raw materials	56.72	85.24
Work-in-progress/Semi finished goods	143.18	101.54
Stores and Spares	0.45	19.96
Total	**200.35**	**206.74**

Note: Details of inventory of work-in-progress/Semi Finished Goods

Particulars	As at March 31, 2015	As at March 31, 2014
Parts and components of machinery	143.18	101.54

Annexure 21A: Restated Standalone Summary Statement of Trade Receivables

Particulars	As at March 31, 2015	As at March 31, 2014
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
Unsecured, considered good	36.26	21.29
Unsecured, considered doubtful	2.32	0.04
	38.58	**21.33**
Less: Provision for doubtful trade receivables	(2.32)	(0.04)
	36.26	**21.29**
Other trade receivables		
Unsecured, considered good	242.68	251.31
Unsecured, considered doubtful	-	-
	242.68	**251.31**
Less: Provision for doubtful trade receivables	-	-
	242.68	**251.31**
Total	**278.94**	**272.60**
Note: Trade receivables include debts due from:		
Private company in which some of the directors of the Company are directors - M. S. Sorters Private Limited	32.21	49.25
Enterprise in which KMP ceased to have control during the year - Agripower and Engineering Solutions Private Limited	0.09	

Annexure 22A: Restated Standalone Summary Statement of Cash and cash equivalents

Particulars	As at March 31, 2015	As at March 31, 2014
Cash on hand	0.07	0.04
Balances with banks		
In current accounts	19.99	63.20
In deposit accounts	9.64	0.40
In earmarked accounts - balance held as margin money against guarantees		0.08
Total	**29.70**	**63.72**
Balances with banks include deposits with remaining maturity of more than 12 months from the Balance Sheet date	-	0.08

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 23A: Restated Standalone Summary Statement of Short term loans and advances

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Security deposits	3.01	1.93
Loans and advances to employees	2.37	0.14
Prepaid expenses	1.44	5.82
Balances with government authorities		
VAT credit receivable	19.45	
Others	13.75	0.90
Total	**40.02**	**8.79**

Annexure 24A: Restated Standalone Summary Statement of Other Current Assets

Particulars	**As at March 31, 2015**	**As at March 31, 2014**
Interest accrued on deposits with banks and on bonds	0.95	0.20
Others		
Others Receivables	0.01	1.30
Rent receivable	-	0.25
Total	**0.96**	**1.75**

Other current assets include amounts due from:		
a) Private company in which directors of the Company are directors - M S Sorters Private Limited	-	0.26
b) Enterprise in which KMP ceased to have control during the year - Agripower and Engineering Solutions Private Limited	-	0.25

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 25A: Restated Standalone Summary Statement of Operational Income and Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from operations		
Sale of products (Refer Note (i))	1,554.19	1,758.22
Sale of services (Refer Note (ii))	25.08	29.60
Other operating revenues		
Sale of scrap	9.46	11.18
Packing and forwarding charges	18.76	21.80
Agency commission	10.54	5.29
Consultancy charges	3.60	3.60
Duty drawback	0.27	
Total	**1,621.90**	**1,829.69**
Note (i): Sale of products comprises of:		
Machinery and spares	1,536.20	1,751.97
Traded item and others	17.99	6.25
Total	**1,554.19**	**1,758.22**
Note (ii): Sale of services comprises of:		
Erection and commissioning	19.53	24.16
Labour charges	5.55	5.44
Total	**25.08**	**29.60**
II. Expenses		
Cost of material consumed		
Opening stock	105.20	53.96
Add: Acquisition on merger (Refer Annexure 5A(d))	-	28.03
Add: Purchases	789.17	908.61
	894.37	**990.60**
Less: Closing stock	57.16	105.20
Total	**837.21**	**885.40**
Material consumed comprises of:		
Motors of different specifications	107.38	121.59
Other items	729.83	763.81
Total	**837.21**	**885.40**
Purchase of stock-in-trade		
Stock-in-trade	13.56	4.47
Total	**13.56**	**4.47**
Changes in inventories of work-in-progress and semi-finished goods		
Inventories at the end of the year:		
Work-in-progress	143.18	101.54
Inventories at the beginning of the year:		
Work-in-progress	101.54	66.38
Add: Acquisition on merger (work-in-progress) (Refer Annexure 5A(d))	-	52.17
	101.54	**118.55**
Net (increase) / decrease	**(41.64)**	**17.01**
Employee benefits expense		
Salaries and wages	176.22	149.58
Contributions to provident and other funds	9.97	8.82
Staff welfare expenses	11.57	11.63
Total	**197.76**	**170.03**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Other expenses		
Particulars	**For the year ended March 31,**	**For the year ended March 31,**
Packing materials	16.53	18.12
Job work charges	30.77	30.97
Power, fuel and water	12.99	10.93
Security expenses	3.99	4.43
Contract & Processing Charges	59.19	50.90
Rent	1.74	1.58
Repairs and maintenance		
Buildings	0.79	0.94
Machinery	4.23	3.62
Others	10.32	10.41
Insurance	0.90	0.91
Rates and taxes	7.43	12.48
Communication	6.54	5.53
Travelling and conveyance	29.90	22.52
Printing and stationery	2.24	2.10
Freight and forwarding	1.85	1.39
Sales commission	53.16	66.56
Business promotion	9.43	6.67
Donations and contributions	-	-
Legal and professional	7.56	73.20
Payments to auditors (Note (i))	1.58	1.91
Bad trade receivables, loans and advances written off	-	3.14
Provision for doubtful trade receivables	2.32	0.04
Warranty	10.70	7.00
Bank charges	0.95	1.02
Loss on fixed assets sold / scrapped	-	3.25
Research related expenses	0.51	1.64
Preliminary expenses written off	-	0.17
Miscellaneous expenses	1.66	2.05
Total	**277.28**	**343.48**

Note (i)

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
(i) Payments to the auditors comprise		
(a) To statutory auditors		
For statutory audit	1.20	1.20
For taxation matters*	0.19	-
For other services	-	0.50
Reimbursement of expenses (including service tax)	0.19	0.21
Total	1.58	1.91

*Includes Rs.0.19 Mio (PY - Rs. Nil) to an affiliated firm of the auditors covered by a networking arrangement which is registered with the Institute of Chartered Accountants of India.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 25A: Restated Standalone Summary Statement of Operational Income and Expenses

II. Expenses contd.,

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Finance costs		
(a) Interest expense on:		
Borrowings	44.16	37.56
Others		
Delayed / deferred payment of income tax	-	1.68
Others (Bill discounting charges)	2.55	11.21
(b) Other borrowing costs	2.39	2.02
Total	**49.10**	**52.47**

Annexure 26A: Restated Standalone Summary Statement of Other Income

Particulars	**For the year ended March 31,**	**For the year ended March 31,**
Interest income (Refer note (i) below)	5.32	4.03
Dividend income	0.60	6.41
Net gain on foreign currency transactions and translation	4.17	2.48
Other non-operating income (net of expenses directly attributable to such income (refer note (ii) below)	2.33	5.45
Total	**12.42**	**18.37**
Note (i)		
Interest income		
Interest from deposits with bank	1.22	0.32
Interest from National Highway Authority of India bonds	0.10	0.10
Interest from loans given	4.00	3.61
Other interest	-	-
Total	**5.32**	**4.03**
Note (ii)		
Other non-operating income		
Rental income from land given on lease	1.50	1.50
Profit on sale of fixed assets	-	0.03
Miscellaneous income	0.83	3.92
Total	**2.33**	**5.45**

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 27A: Restated Standalone Summary Statement of Accounting Ratios

Particulars	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Basic and Diluted Earnings Per Share (Rs.)		
Basic Earnings Per Share (Basic EPS)		
Net profit after tax, as restated, attributable to equity shareholders	175.73	224.15
Weighted average number of Equity Shares outstanding (pre-bonus issue)	3,028,348	3,000,000
Bonus issue (refer Note-A below)	6,942,776	6,942,776
Weighted average number of Equity Shares outstanding (post-bonus issue) Refer Note-A below	9,971,124	9,942,776
Basic EPS in Rs. (pre-bonus issue)	58.03	74.72
Basic EPS in Rs. (post-bonus issue) Refer Note-A below	17.62	22.54
Face value in Rs.	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)		
Net profit after tax, as restated, attributable to equity shareholders	175.73	224.15
Weighted average number of equity shares outstanding (Basic)	3,028,348	3,000,000
Effect of Dilution	-	-
Weighted average number of equity shares outstanding (Diluted) (pre-bonus issue)	3,028,348	3,050,321
Weighted average number of equity shares outstanding (Diluted) (post-bonus issue) Refer Note A below	9,971,124	9,942,776
Diluted EPS in Rs. (pre-bonus issue)	58.03	73.48
Diluted EPS in Rs. (post-bonus issue) Refer Note-A below	17.62	22.54
Face value in Rs.	10.00	10.00
Return on Net worth		
Net profit after tax, as restated	175.73	224.15
Net worth, as restated	459.47	290.07
Return on net worth	**38.25%**	**77.27%**
Net Asset Value Per Equity Share (Rs.)		
Net asset value (Net-worth), as restated	459.47	290.07
Number of adjusted equity shares outstanding at the year end (pre-bonus issue)	3,061,224	3,000,000
Number of adjusted equity shares outstanding at the year end (post-bonus issue)	10,004,000	9,942,776
Net assets value per equity share (Rs.) (pre-bonus issue)	**150.09**	**96.69**
Net assets value per equity share (Rs.) (post-bonus issue) Refer Note-A below	**45.93**	**29.17**

The ratios have been computed as per the following formulae:
(i) Basic and Diluted Earnings per Share:

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV):

$$\frac{\text{Net Asset Value, as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%):

$$\frac{\text{Net Profit after tax, as restated for the year,}}{\text{Net worth (refer below), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve, capital reserve arising from amalgamation, where applicable), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

Note-A: Bonus Issue:
The shareholders in their meeting dated June 15, 2018 have approved a bonus issue of equity shares by capitalisation of the amounts carried under Securities Premium / Free reserves of the Company in the ratio of 347 equity shares for every 153 equity shares held by the shareholders as on the record date.

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 28A: Restated Standalone Summary Statement of Transactions with Related Parties and Balances
List of related parties:

Description of relationship	Names of related parties
Subsidiary	M.S. Sorters Private Limited (MSPL)
	Agripower Engineering Solutions Private Limited (APESPL) (w.e.f 26 September 2014)
Key managerial personnel (KMP)	J. Rajendran
	R. Ravindranath
	V. G. N Prakash (till 05 June 2013)
	V. Ramanaiah (till 05 June 2013)
Relatives of KMP	R. Uma, wife of Mr. R Ravindranath
	R. Manjula, wife of Mr. R. Rajendran
	M. Jyothi Rani, wife of Mr. V. G. N Prakash (related party till 05 June 2013)
	B. A. Gayathri Devi, wife of Mr. V. Ramanaiah (related party till 05 June 2013)
Enterprises in which KMP has control	Turbo Power and Engineering Solutions (TPES)
	Agri Power and Engineering Solutions Private Limited (APESPL) (incorporated on 14 August 2013) (till 25 September 2014)
Parties holding more than 20% of the equity share capital of the Company	J. Rajendran
	R. Ravindranath
	Multiples Private Equity Fund and Multiples Private Equity Fund I (together "Multiples Group")

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 28A: Restated Standalone Summary Statement of Transactions with Related Parties and Balances

Particulars of transaction and balances with	MSPL		APESPL		KMP		Relatives of KMP		Enterprise in which KMP has control	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Revenue from operations										
Sales	5.38	8.41	0.25	-	-	-	-	-	-	-
Agency commission	7.72	5.99	-	-	-	-	-	-	-	-
Consultancy fees	3.60	3.60	-	-	-	-	-	-	-	-
Other income										
Interest on unsecured loan	3.60	3.60	0.40	-	-	-	-	-	-	-
Rent received	12.91	1.50	0.21	-	-	-	-	-	-	-
Purchases	5.20	0.23	-	-	-	-	-	-	-	-
Remuneration										
J. Rajendran	-	-	-	-	15.74	16.33	-	-	-	-
R. Ravindranath	-	-	-	-	15.74	16.48	-	-	-	-
V.G.N. Prakash (till 5 June 2013)	-	-	-	-	-	3.26	-	-	-	-
V. Ramanaiah (till 5 June 2013)	-	-	-	-	-	3.32	-	-	-	-
R. Uma	-	-	-	-	-	-	-	0.52	-	-
R. Manjula	-	-	-	-	-	-	-	0.52	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	-	-	-	-	0.52	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	-	-	-	-	0.52	-	-
Dividend										
J. Rajendran	-	-	-	-	-	39.37	-	-	-	-
R. Ravindranath	-	-	-	-	-	39.37	-	-	-	-
V.G.N. Prakash (till 5 June 2013)	-	-	-	-	-	39.37	-	-	-	-
V. Ramanaiah (till 5 June 2013)	-	-	-	-	-	39.37	-	-	-	-
R. Uma	-	-	-	-	-	-	-	9.84	-	-
R. Manjula	-	-	-	-	-	-	-	9.84	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	-	-	-	-	9.84	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	-	-	-	-	9.84	-	-
Interest on unsecured loan										
J. Rajendran	-	-	-	-	-	0.01	-	-	-	-
R. Ravindranath	-	-	-	-	-	0.01	-	-	-	-
V.G.N. Prakash (till 5 June 2013)	-	-	-	-	-	0.01	-	-	-	-
V. Ramanaiah (till 5 June 2013)	-	-	-	-	-	0.01	-	-	-	-
R. Uma	-	-	-	-	-	0.001	-	-	-	-
R. Manjula	-	-	-	-	-	0.001	-	-	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	-	-	0.001	-	-	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	-	-	0.001	-	-	-	-
Amount paid towards acquisition of shares of MIPL and MOPL										
J. Rajendran	-	-	-	-	-	25.20	-	-	-	-
R. Ravindranath	-	-	-	-	-	25.20	-	-	-	-
R. Manjula	-	-	-	-	-	-	-	16.80	-	-
R. Uma	-	-	-	-	-	-	-	16.80	-	-
V.G.N. Prakash (till 5 June 2013)	-	-	-	-	-	174.00	-	-	-	-
V. Ramanaiah (till 5 June 2013)	-	-	-	-	-	174.00	-	-	-	-
M. Jyothi Rani (till 5 June 2013)	-	-	-	-	-	-	-	116.00	-	-
B.A. Gayathri Devi (till 5 June 2013)	-	-	-	-	-	-	-	116.00	-	-

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 28A: Restated Standalone Summary Statement of Transactions with Related Parties and Balances

Particulars of transaction and balances with	MSPL		APESPL		KMP		Relatives of KMP		Enterprise in which KMP has control	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Towards purchase of shares										
J. Rajendran	-	-	-	-	0.05	-	-	-	-	-
R. Ravindranath	-	-	-	-	0.05	-	-	-	-	-
Trade receivables	32.21	49.25	0.09		-	-	-	-	-	-
Rental deposit taken	1.38	1.38	0.19		-	-	-	-	-	-
Other non-current assets	14.56	11.33	0.38	0.25	-	-	-	-	-	-
									-	-
Capital advance	-	-	-	-	-	-	-	-	15.00	15.00
									(TEPS)	(TEPS)
Trade payables	0.57	0.21	-	-	-	-	-	-	-	-
Inter-corporate deposits given	30.00	30.00	8.50	-	-	-	-	-	-	-
Liability towards acquisition of shares in MIPL										
J. Rajendran	-	-	-	-	-	16.95	-	-	-	-
R. Ravindranath	-	-	-	-	-	16.95	-	-	-	-

Transactions with parties holding more than 20% of the equity share capital of the Company - Dividend paid	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**
Multiples Private Equity Fund	8.54	-
Multiples Private Equity Fund I	24.99	-

MILLTEC Machinery Limited
(Formerly known as MILLTEC Machinery Private Limited)
Restated Standalone Financial Information
(Amount in Rupees Millions except for share data or as otherwise stated)

Annexure 29A: Restated Standalone Statement of Tax Shelters

Particulars		For the year ended March 31, 2015	For the year ended March 31, 2014
Profit before tax as restated	**(A)**	265.88	349.75
Normal tax rate (%)	**(B)**	33.99%	33.99%
Tax expense	**(C)**	90.37	118.88
Adjustments			
Permanent differences			
Expenses disallowed under Income Tax Act, 1961		0.23	7.68
Dividend/income exempt under the Income Tax Act, 1961		(0.45)	(6.51)
Total	**(D)**	**(0.22)**	**1.17**
Timing Differences			
Difference between book depreciation and tax depreciation		(6.07)	1.29
Provision for doubtful debts		2.32	-
Employee benefits disallowed u/s 43B of the Income Tax Act, 1961			
Gratuity		3.05	3.61
Compensated absence		3.64	5.81
Warranty provision		(1.60)	7.00
Total	**(E)**	**1.34**	**17.71**
Net Adjustment (D+E)	**(F)**	**1.12**	**18.88**
Tax expense / (saving) thereon on the net adjustment	**(G)**	0.38	6.42
Tax expense / (saving) derived per above (C+G)	**(H)**	90.75	125.30
Interest on delayed payment of taxes and other adjustments	**(I)**	(0.60)	0.30
Current tax and deferred tax provision for the year as per restated accounts (H+I)		**90.15**	**125.60**
Total tax expense as per Restated Standalone Summary Statement of Profit and Loss		**90.15**	**125.60**

Note

The permanent and timing differences for the years ended March 31, 2015 and 2014 have been computed based on the tax computations from the income tax returns for the respective years.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations are based on, and should be read in conjunction with our Restated Consolidated Financial Information as of and for the Fiscals ended March 31, 2018, March 31, 2017 and March 31, 2016, the notes and significant accounting policies thereto, and the reports thereon in "Financial Statements" on page 207 which have been prepared in accordance with the Companies Act and the SEBI ICDR Regulations. Our financial information in respect of Fiscal 2018, Fiscal 2017, and Fiscal 2016 included in this Draft Red Herring Prospectus is prepared under Ind AS, in accordance with the requirements of the Companies Act, 2013. Our financial information in respect of Fiscal 2015 and Fiscal 2014 included in this Draft Red Herring Prospectus is prepared under Indian GAAP, in accordance with the requirements of the Companies Act, 2013. Given that Ind AS is different in many respects from Indian GAAP under which our restated financial information for Fiscal 2015 and Fiscal 2014 have been prepared, our Ind AS financial information for the period commencing from April 1, 2015 may not be comparable to our Indian GAAP financial information for the Fiscal ended March 31, 2015, and March 31, 2014.

Ind AS and Indian GAAP differ in certain material respects from IFRS and US GAAP. We have not attempted to quantify the impact of IFRS or US GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under US GAAP or IFRS. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information depends on the reader's level of familiarity with the Companies Act, Indian GAAP, Ind AS and the SEBI ICDR Regulations. Any reliance on the financial disclosure in this Draft Red Herring Prospectus, by persons not familiar with Indian accounting practices, should accordingly be limited. Our fiscal year ends on March 31 of each year.

This discussion also contains certain forward-looking statements and reflects our management's current views with respect to future events and our financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Given these uncertainties, prospective investors should not place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the chapters titled "Risk Factors", "Forward Looking Statements" and "Our Business" on pages 20, 18, and 155, respectively.

Unless otherwise indicated, industry and market data included in this section has been derived from the CRISIL Report. This section should be read in conjunction with the "Industry Overview" on page 110.

OVERVIEW

We are a diversified agro-processing equipment manufacturer in India, with a sales and distribution network in India and overseas. Our portfolio includes equipment to facilitate the processing of rice, pulses, wheat, seeds, and maize. We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report).

Our array of modern milling equipment has, over the years, benefitted millers by reducing process loss, enhancing price realisation, and ensuring high qualities of hygiene (*Source*: CRISIL Report). Our products are preferred among millers in India due to their quality and efficiency, and our after-sales service capabilities. This apart, our unique value for money proposition gives us a competitive edge (*Source*: CRISIL Report).

We are an ISO 9001:2015 and ISO 14001:2015 certified company with four well-equipped manufacturing facilities in Bengaluru, Karnataka, and Chennai, Tamil Nadu. From a single equipment manufactured to facilitate the whitening and polishing of rice grains in 1998, we have expanded our equipment portfolio to over 200 different types of grain processing equipment, as on March 31, 2018. Our product portfolio includes equipment for parboiling and drying, pre-cleaning, de-stoning, de-husking, thickness grading, polishing, length grading, sorting, and packaging, which cater to customers who have mills with throughput capacities ranging from two MTPH to 20 MTPH. We also offer end-to-end turnkey solutions for rice processing activities, as well as solutions to facilitate ancillary grain processing activities such as yield management.

We are backed by a strong research and development team comprising 22 engineers as on March 31, 2018, who have developed several innovative new products. Our research and development team has also been instrumental in enabling us make applications for the registration of seven trademarks, 12 designs, 28 copyrights, and five patents.

As on March 31, 2018, our distribution and sales network, comprising 34 employees and 57 agents, was spread across 19 states in India, and seven countries overseas. This network is also backed by an after-sales service team of 111 employees who provide our customers with access to maintenance services and spare parts and respond to a majority of our customer grievances within 24 hours of such grievances being raised. We have also established a call centre consisting of eight employees in order to promote the sales of spare parts for our equipment, and also address post-sales requirements of our customers.

Our Company is managed by our Promoters, Rajendran Joghee and Ravindranath Ramaiah, each of whom has over 25 years of experience in the milling equipment manufacturing industry. Our Company is also supported by an experienced management team, including our Chief Executive Officer, Rajan Aggarwal, who has over 30 years of industry experience, and our Chief Financial Officer, Ganapathy Subramaniam, who has over 35 years of experience. As of March 31, 2018, we employed 821 employees, comprising 396 individuals employed by us on a full-time basis, and 425 workers engaged by us on a contractual basis.

We have invested in and have established a strong information-technology system both for enabling technological innovations in the area of manufacturing grain processing equipment, as well as integrating systems and processes through the SAP system, towards streamlining our operational and administrative functions. Our information-technology systems and technological infrastructure has been adopted to ensure that our manufacturing processes remain commensurate with global standards and practices.

We believe that our brand equity is strongly associated with our leadership in the manufacture of agro-processing equipment. In recognition of our capabilities, we have been recipients of various awards, which we believe have been instrumental in creating our strong brand value. These awards, *inter alia*, include the "*Commendation Award for Best Business Exhibitor*" conferred by the Confederation of Indian Industry in the year 2000, the "*Award of Appreciation*" conferred by Triune Exhibitors Private Limited in the year 2009, and the "*Award of Honour*" conferred by the All India Rice Exporters Association in the year 2017. For details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 176.

The key highlights of our financial metrics on a consolidated basis from Fiscal 2016 to Fiscal 2018 are set out in the table below:

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Total income (in ₹ million)	2,693.14	2,231.44	1,862.35
EBITDA margin[(1)] (in %)	18.57	15.87	17.21
Profit after tax (in ₹ million)	290.85	184.83	174.02
RoCE[(2)] (in %)	81.00	60.35	51.47
RoE[(3)] (in %)	31.25	26.90	34.42
Net cash flow from operating activities (in ₹ million)	235.05	352.32	215.22

Note:

1) *EBITDA Margin = (Restated profit before tax + Finance cost + Depreciation and amortization expense) / Total income*
2) *RoCE (Return on Capital Employed) = EBIT (Earnings Before Interest and Tax) / {Average of Current Year + Previous Year of (Total Assets – Current Liabilities – Cash & Cash Equivalents – Investments in Mutual Funds & Bonds)}*
3) *RoE (Return on Equity) = PAT (Profit After Tax) / Average of Total Equity of the Current Year and the Previous Year*

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Reliance on the rice milling industry as a significant source of income

We have an estimated market share of 10% in the total rice processing equipment industry and are the most preferred brand in the milling segment (*Source*: CRISIL Report). Our product portfolio includes equipment for parboiling and drying, precleaning, de-stoning, de-husking, thickness grading, polishing, length grading, sorting, and packaging. Although we have expanded our equipment portfolio to include pulse milling, seeds processing, wheat processing and rice milling equipment, we continue to derive a significant portion of our income primarily from the sale of our rice milling equipment. Our revenue from sale of rice milling equipment accounted for 45.09%, 50.29%, and 49.62%, of our revenue from operations for Fiscal 2018, Fiscal 2017, and Fiscal 2016, respectively. Our sales are, therefore, highly dependent on the strategies followed by our customers, who are primarily millers. We have endeavoured to mitigate this risk by continuing to advertise our non-rice milling products and leveraging our large customer base in order to cross-sell our products. Any adverse changes in the demand for rice grains as well as in the cost of rice grains could result in adverse impact on rice millers, which could consequently result in a negative impact on our business and results of operations.

Input costs

Our expenditure on raw material and components consumed represented 55.41%, 57.79% and 56.76% of our total income for Fiscal 2018, Fiscal 2017 and Fiscal 2016, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of raw materials which we use in the production of our equipment.

Prices of our raw materials are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market. At times, we may not be able to pass on an increase in commodity or raw material prices to our customers. Nevertheless, we continually undertake efforts to reduce our costs in order to protect our margins including rationalising our manpower and distribution network and implementing lean manufacturing modules such as two bin material stocking and Kaizen.

Further, our Company may import raw materials from other countries where payments are made in foreign currencies, which leaves us vulnerable to exchange rate risk. This exposure to foreign exchange risk also has a significant impact on our results of operations and profitability.

We rely on a select group of suppliers for procurement of raw materials required to manufacture our equipment. While this initiative has helped us in improving our operational efficiency and has significantly contributed towards cost savings and improving our profit margins, our dependence on selected suppliers puts us at risk of interruptions in the availability of our equipment, which could reduce our net sales and adversely affect our results of operations.

Growth of Agricultural Industry and other Macro Economic Conditions

Our business depends on the growth of the agricultural industry and the Indian economy. The pace of Indian economic growth has been slow in Fiscal 2018, mainly due to the impact of demonetisation, disruptions cause by the implementation of the new goods and service tax, and weak agricultural growth (*Source*: CRISIL Report). In addition to this, although India's overall gross value added ("**GVA**") expanded at an overall CAGR of approximately 6.65% from Fiscal 2012 to Fiscal 2017, the GVA from the agricultural sector was much slower, at approximately 2.50% CAGR from Fiscal 2012 to Fiscal 2017, which has resulted in a declining share of agriculture to the total GVA of the country (*Source*: CRISIL Report). A substantial decline in the share of agriculture to the total GVA of the country would have a material adverse effect on our growth strategy.

Our business also depends on global economic conditions. Macroeconomic factors, both in India and globally, such as economic instability, political uncertainty and other *force majeure* events could influence our performance. In addition, fluctuations in interest rates, exchange rates and inflation rates have a material effect on key aspects of our operations, including the cost of our raw materials and the costs of borrowing required to fund our operations. There may also be a number of secondary effects of economic instability, such as the insolvency of suppliers or customers, delays in deliveries by suppliers, payment delays, and reduction in demand for our products by customers.

We therefore expect that macroeconomic conditions will have a significant impact on our business and results of operations in future periods. For a more detailed discussion of the Indian economy, please refer to the chapter "*Industry Overview*" on page 110.

Seasonality

As an agro-processing equipment manufacturer, we are dependent on the agricultural sector, which is seasonal in nature. Further, the agricultural sector is also influenced by several other factors such as agricultural commodity prices and adverse weather conditions. A poor monsoon could result in an escalation of the cost of food grains, which are an essential raw material for our customers. This rise in cost could result in our customers spending lower amounts on the procurement and maintenance of milling equipment, causing a negative impact on our business and results of operations.

Most of our revenue is generated by sale of our milling equipment, prior to the commencement of the Kharif and Rabi cropping seasons in July and October, respectively. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter and declines in demand during our peak seasonal periods could materially and adversely affect our business, financial condition, or results of operations.

Diversification of product offerings

By leveraging our experience in the rice milling industry, we have, over time expanded our range of equipment offerings under the pulses, seeds, maize, and wheat processing categories, and have also expanded into the production of ancillary products such as silica extraction and co-generation plants. We plan to use our long-term relationships with our existing customers in order to cross-sell our products as well as to develop new customer relationships. Further, our research and development team has helped us develop several innovative new products, in line with our endeavour to focus on technological innovation and product development. We are currently exploring and testing the feasibility of such products.

The success of these new products depends on our management's ability to identify high growth potential opportunities and utilise our resources to develop these opportunities, which could have a significant impact on our results of operations.

Competition

The domestic rice-milling equipment industry is highly competitive, with several local and international manufacturers playing an important role. Chinese manufacturers in particular pose a strong threat to Indian manufacturers like us as they are able to sell their products at a lower price due to lower labour costs. (*Source*: CRISIL Report) In addition to the above, we also face serious competition from manufacturers located in countries such as Germany, Japan, Switzerland and Thailand, who are able to offer consumers products equipped with superior technology. (*Source*: CRISIL Report)

In order to keep pace with global competition and demands, we have invested in the establishment of a strong research and development team in order to innovate and develop new products. Our products are exported to countries such as Bangladesh, Germany, Myanmar, Pakistan, Philippines, Nepal, Nigeria, Sri Lanka, and the United Kingdom. Further, we have also categorised our products into three separate categories in order to ensure that we meet the requirements of various market segments, address price points, and adapt to changing market conditions. However, greater financial, marketing, technological and other resources available to certain of our competitors may enable them to commit larger amounts of capital in response to changing market conditions and develop new products and processes which may put us at a disadvantage. We may also face competition from new entrants in the market as well as aggressive pricing and marketing strategies by other manufacturers trying to gain market share.

OUR SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Company. These have been consolidated based on latest available financial statements. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of the such financial statements and these consolidated financial statements.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the equity attributable to shareholders of the Company. The interest of non-controlling shareholders is initially measured at fair value. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the sale of goods is recognised when the goods are delivered, and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably; and
- it is probable that the economic benefits associated with the transaction will flow to the Group.

Revenue from services and commission income are recognised when services are rendered, and related costs are incurred. Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income is accounted for when the right to receive payment has been established.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in Statement of profit and loss as incurred. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss.

Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and any other incidental expenses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of profit and loss.

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on tangible assets have been provided on the Written Down Value (WDV) method as per useful life provided in Schedule II of the Companies Act 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed by the Management:

Electrical installations	15 years
Office equipments	15 years
R&D equipments	6 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost.

Intangible Assets

Acquired Intangible Assets - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Useful life
Computer software	Lower of license period or 5 years
Copyright, patents and other intellectual property rights, services, and operating rights	5 years
Knowhow	5 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of profit and loss when the asset is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (Transition date) measured as per the previous GAAP and used that carrying value as its deemed cost as of these dates.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Raw materials and stores & spares are valued at weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial Instruments

Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Subsequent measurement

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

Impairment of financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of profit and loss if such gain or loss would have otherwise been recognised in Statement of profit and loss on disposal of that financial asset.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of profit and loss.

Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Foreign currency transactions and translations

The functional currency of the Group is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Employee benefits

Defined contribution plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined benefit plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income in the period in which they occur.

In respect of a subsidiary, the liability towards gratuity is unfunded.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

- in case of non-accumulating compensated absences, when absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

Borrowing costs

Borrowing costs include:

- interest expense calculated using the effective interest rate method;

- finance charges in respect of finance leases; and

- exchange difference arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially capitalised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

Earnings per share

Basic earnings per share are computed by dividing profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

First-time adoption of Ind AS

Overall principle

The Group has prepared the Restated Consolidated Summary Statement of Assets and Liabilities as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous Indian GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Derecognition of Financial Assets and Liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of our Company for the last three years.

RESULTS OF OPERATIONS

The following table sets out selected data on consolidated basis from the Restated Consolidated Financial Information for Fiscal 2018, Fiscal 2017 and Fiscal 2016, together with the percentage that each line item represents of our total revenue for the periods presented.

Particulars	**Fiscal**					
	2018		**2017**		**2016**	
	(₹ in **million)**	**Percentage of Total Income**	**(₹ in million)**	**Percentage of Total Income**	**(₹ in million)**	**Percentage of Total Income**
Income						
Revenue from Operations	2,661.39	98.82	2,208.77	98.98	1,844.68	99.05
Other Income	31.75	1.18	22.67	1.02	17.67	0.95
Total Income	**2,693.14**	**100.00**	**2,231.44**	**100.00**	**1,862.35**	**100.00**
Expenses						
Cost of materials consumed	1,492.20	55.41	1,289.62	57.79	1,057.13	56.76
Changes in stock of semi-finished goods, work-in progress, and finished goods	(21.48)	(0.80)	(46.93)	(2.10)	(55.34)	(2.97)
Employee benefit expenses	266.03	9.88	241.86	10.84	218.07	11.71
Finance Costs	2.10	0.08	19.69	0.88	36.34	1.95
Depreciation and amortisation expense	47.87	1.78	45.12	2.02	40.73	2.19
Other expenses	456.14	16.94	392.65	17.60	322.02	17.29
Total Expenses	**2,242.86**	**83.28**	**1,942.01**	**87.03**	**1,618.95**	**86.93**
Restated Profit before tax	**450.28**	**16.72**	**289.43**	**12.97**	**243.40**	**13.07**
Tax expense						
Current tax	159.02	5.90	107.80	4.83	101.00	5.42
Deferred tax	0.41	0.02	(3.20)	(0.14)	(31.62)	(1.70)
Total tax expense	**159.43**	**5.92**	**104.60**	**4.69**	**69.38**	**3.73**
Restated Profit for the year	**290.85**	**10.80**	**184.83**	**8.28**	**174.02**	**9.34**

Income

We derive our total income from our revenue from operations and other income.

Revenue from operations

Our revenue from operations consists of (i) sale of products; (ii) sale of services; and (iii) other operating revenue.

Sale of products consists of the sale of (i) machinery products and spares; and (ii) traded goods.

Sale of services consists of (i) erection and commissioning; and (ii) labour charges.

Other operating revenue consists of: (i) sale of scrap; (ii) packing, forwarding and insurance charges; (iii) agency commission; (iv) consultancy charges; and (v) duty drawback.

Other income

Our other income consists of: (i) interest income on bank deposits; (ii) interest income on interest from National Highway Authority of India bonds; (iii) dividend income; (iv) net gain on foreign currency transactions and translations; (v) provisions no longer required to be written back; (vi) gain on disposal of subsidiary; (vii) liabilities no longer required to be written back; (viii) government grant income; (ix) rental income from land given on lease; and (x) miscellaneous income.

Expenses

Our expenses consist of the following: (i) cost of materials consumed; (ii) changes in inventories of work-in-progress, semi-finished goods and finished goods; (iii) employee benefit expenses; (iv) finance costs; (v) depreciation and amortisation expense; and (vi) other expenses.

Cost of materials consumed consists of the consumption of: (i) motors of different specifications; and (ii) other items such as mild steel, stainless steel, hot rolled coils, cold rolled coils, pipes, forgings, electronic components, and rubber rollers.

Employee benefit expenses consist of the following: (i) salary and wages; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

Finance costs consist of the following: (i) interest expense on borrowings; (ii) interest on delayed or deferred payment of income tax; and (iii) other borrowing costs.

Depreciation and amortisation expense consist of the following: (i) depreciation of property, plant and equipment; (ii) depreciation of investment property; and (iii) amortisation of intangible expenses.

Other expenses consist of the following: (i) consumption of packing material; (ii) job work charges; (iii) contract and processing charges; (iv) security expenses; (v) power, fuel and water; (vi) rent; (vii) repairs and maintenance of buildings, machinery and other items; (viii) insurance; (ix) rates and taxes; (x) communication; (xi) travelling and conveyance; (xii) printing and stationery; (xiii) freight and forwarding; (xiv) sales commission; (xv) business promotion; (xvi) legal and professional; (xvii) payments to auditor; (xviii) bad trade receivables, loans and advances written off; (xix) net loss on foreign currency transaction and translation; (xx) provision for doubtful trade receivables; (xxi) provision for Form C receivables; (xxii) warranty; (xxiii) sales discount; (xxiv) bank charges; (xxv) research related expenses; (xxvi) expenditure on corporate social responsibility; and (xxvii) other miscellaneous expenses.

Taxation

Taxes mainly comprise of current tax and deferred tax.

FISCAL 2018 COMPARED WITH FISCAL 2017

Income

Our total income comprises of revenue from operations (sale of products, sale of services, and other operating revenue) and other income (interest income on bank deposits, interest income on interest from National Highway Authority of India bonds, dividend income, net gain on foreign currency transactions and translations, provisions no longer required to be written back, liabilities no longer required to be written back, government grant income, miscellaneous income).

Our total income increased by 20.69% to ₹2,693.14 million in Fiscal 2018 from ₹2,231.44 million in Fiscal 2017. This was primarily driven by an increase in our revenue from operations, which increased by 20.49% to ₹2,661.39 million in Fiscal 2018 from ₹2,208.77 million in Fiscal 2017, and an increase in our other income, which increased by 40.05% to ₹31.75 million in Fiscal 2018 from ₹22.67 million in Fiscal 2017.

Revenue from operations

Our total revenue from operations increased by 20.49% to ₹2,661.39 million in Fiscal 2018 from ₹2,208.77 million in Fiscal 2017.

The sale of our products increased / decreased in the following manner:

Sr. No	Particulars	Fiscal 2018 (in ₹ million)	Fiscal 2017 (in ₹ million)	Percentage increase / (decrease) (%)
1.	Machinery products and spares	2,573.75	2,134.59	20.57
2.	Traded goods	0.00	2.78	(100)

Our Company ceased to trade in boilers after the acquisition of our Chennai Unit, which resulted in the discontinuation of our trading activities.

Our revenue from erection and commissioning services increased by 43.92% to ₹38.11 million in Fiscal 2018 from ₹26.48 million in Fiscal 2017, which was offset by a decrease in our revenue from labour charges, which decreased by 8.22% to ₹8.60 million in Fiscal 2018 from ₹9.37 million in Fiscal 2017.

In addition, our other operating revenue increased by 15.13% to ₹40.93 million in Fiscal 2018 from ₹35.55 million in Fiscal 2017 primarily on account of proceeds from sale of scrap, packaging, forwarding and insurance charges and duty drawback.

Other income

Our other income increased by 40.05% to ₹31.75 million in Fiscal 2018 from ₹22.67 million in Fiscal 2017. The increase was primarily driven by provisions for receivables, statutory forms, and other liabilities no longer required written back, government grant income and miscellaneous income. As a percentage of total income, our other income increased to 1.18% in Fiscal 2018 from 1.02% in Fiscal 2017.

Expenses

Our total expenses increased by 15.49% to ₹2,242.86 million in Fiscal 2018 from ₹1,942.01 million in Fiscal 2017.

As a percentage of our total revenue, total expenses decreased to 83.28% in Fiscal 2018, from 87.03% in Fiscal 2017.

Cost of materials consumed

Our cost of materials consumed (adjusted for changes in inventories of work-in-progress, semi-finished goods and finished goods) increased by 18.35% to ₹1,470.72 million in Fiscal 2018 from ₹1,242.69 million in Fiscal 2017. This increase was in line with our growth in revenue. As a percentage of total income, our cost of materials consumed (adjusted for movements in finished goods and semi-finished goods) decreased to 54.61% in Fiscal 2018 from 55.69% in Fiscal 2017, primarily due to renegotiation of input costs.

Employment benefit expense

Our employment benefit expense increased by 9.99% to ₹266.03 million in Fiscal 2018 from ₹241.86 million in Fiscal 2017. The increase was primarily due to annual increments given to employees of our Company, which were effective from April 1, 2017.

Finance cost

Our finance cost reduced by 89.33% to ₹2.10 million in Fiscal 2018 from ₹19.69 million in Fiscal 2017. The decrease was primarily due to repayment of term loans during the course of the year. As a percentage of total income, our finance cost reduced to 0.08% in Fiscal 2018 from 0.88% in Fiscal 2017.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 6.09% to ₹47.87 million in Fiscal 2018 from ₹45.12 million in Fiscal

2017. This increase was due to an increase in the amortization of intangible assets, which increased by 96.78% to ₹9.17 million in Fiscal 2018 from ₹4.66 million in Fiscal 2017, due to the acquisition of our Chennai Unit in Fiscal 2017. However, this increase was set-off by a decrease in depreciation on tangible assets to ₹38.70 million in Fiscal 2018 from ₹40.46 million in Fiscal 2017. As a percentage of total income, our depreciation and amortisation expense reduced to 1.78% in Fiscal 2018 from 2.02% in Fiscal 2017.

Other expenses

Our other expenses increased by 16.17% to ₹456.14 million in Fiscal 2018 from ₹392.65 million in Fiscal 2017. This increase was driven by an increase in the consumption of packing materials by 2.32% to ₹26.51 million in Fiscal 2018 from ₹25.91 million in Fiscal 2017 mainly due to an increase in export sales during the year. Further, an increase in operating revenue and sales also led to a corresponding increase in the following expenses: (i) an increase in contract and processing charges by 22.95% to ₹92.96 million in Fiscal 2018 from ₹75.61 million in Fiscal 2017; (ii) an increase in sales commission by 43.73% to ₹99.09 million in Fiscal 2018 from ₹68.94 million in Fiscal 2017; and (iii) an increase in business promotion expenses by 14.45% to ₹27.32 million in Fiscal 2018 from ₹23.87 million in Fiscal 2017. The increase in sales commission was primarily due to an increase in sales as well as the introduction of several initiatives by our Company to increase revenue from new geographical regions as well as existing customers. As a percentage of total income, our other expenses decreased to 16.94% in Fiscal 2018 from 17.60% in Fiscal 2017.

Restated profit before tax

Our restated profit before tax increased by 55.57% to ₹450.28 million in Fiscal 2018 from ₹289.43 million in Fiscal 2017.

As a percentage of total income, our restated profit before tax increased to 16.72% in Fiscal 2018 from 12.97% in Fiscal 2017.

Total tax expenses

Our total tax expenses increased by 52.42% to ₹159.43 million in Fiscal 2018 from ₹104.60 million in Fiscal 2017. Our total tax expenses for Fiscal 2018 comprised of current tax expenses of ₹159.02 million and a deferred tax of ₹0.41 million. Our total tax expenses in Fiscal 2017 comprised of current tax expenses of ₹107.80 million as adjusted by a deferred tax credit of ₹3.20 million.

As a percentage of total income, our total tax expenses increased to 5.92% in Fiscal 2018 from 4.69% in Fiscal 2017.

Restated profit for the year

As a result of the foregoing, our restated profit for the year increased by 57.36% to ₹290.85 million in Fiscal 2018 from ₹184.83 million in Fiscal 2017.

As a percentage of total income, our restated profit for the year increased to 10.80% in Fiscal 2018 from 8.28% in Fiscal 2017.

Total comprehensive income for the year

Our total comprehensive income for the year increased by 58.25% to ₹292.50 million in Fiscal 2018 from ₹184.83 million in Fiscal 2017.

As a percentage of total income, our total comprehensive income for the year increased to 10.86% in Fiscal 2018 from 8.28% in Fiscal 2017.

FISCAL 2017 COMPARED WITH FISCAL 2016

Income

Our total income comprises of revenue from operations (sale of products, sale of services, and other operating revenue) and other income (interest income on bank deposits, interest income on interest from National Highway Authority of India bonds, dividend income, net gain on foreign currency transactions and translations, government grant income, rental income from land given on lease, miscellaneous income).

Our total income increased by 19.82% to ₹2,231.44 million in Fiscal 2017 from ₹1,862.35 million in Fiscal 2016. This was primarily driven by an increase in our revenue from operations, which increased by 19.74% to ₹2,208.77 million in Fiscal 2017 from ₹1,844.68 million in Fiscal 2016, and an increase in our other income, which increased by 28.30% to ₹22.67 million in Fiscal 2017 from ₹17.67 million in Fiscal 2016.

Revenue from operations

Our revenue from operations increased by 19.74% to ₹2,208.77 million in Fiscal 2017 from ₹1,844.68 million in Fiscal 2016. The increase was primarily due to an increase in the sale of our products, which increased by 20.16% to ₹2,137.37 million in Fiscal 2017 from ₹1,778.71 million in Fiscal 2016. The sale of our products increased / decreased in the following manner:

Sr. No	Particulars	Fiscal 2017 (in ₹ million)	Fiscal 2016 (in ₹ million)	Percentage increase / (decrease) (%)
1.	Machinery products and spares	2,134.59	1,768.27	20.72
2.	Traded goods	2.78	10.44	(73.37)

We experienced a decrease in our traded goods during the Fiscal since our Company gradually ceased to trade in boilers after the acquisition of the Chennai Unit.

Our revenue from erection and commissioning services increased marginally by 2.68% to ₹26.48 million in Fiscal 2017 from ₹25.79 million in Fiscal 2016, which was offset by a decrease in our revenue from labour charges, which decreased by 10.59% to ₹9.37 million in Fiscal 2017 from ₹10.48 million in Fiscal 2016.

In addition, our other operating revenue increased by 19.70% to ₹35.55 million in Fiscal 2017 from ₹29.70 million in Fiscal 2016 primarily on account of proceeds from sale of scrap, packaging, forwarding and insurance charges and duty drawback.

Other income

Our other income increased by 28.30% to ₹22.67 million in Fiscal 2017 from ₹17.67 million in Fiscal 2016. The increase was primarily driven by an increase in dividend income from mutual funds, which increased by 628.46% to ₹8.96 million in Fiscal 2017 from ₹1.23 million in Fiscal 2016, due to increasing cash balances with our Company which were invested in mutual funds. As a percentage of total income, our other income increased to 1.02% in Fiscal 2017 from 0.95% in Fiscal 2016.

Expenses

Our total expenses increased by 19.95% to ₹1,942.01 million in Fiscal 2017 from ₹1,618.95 million in Fiscal 2016.

As a percentage of our total revenue, total expenses increased marginally to 87.03% in Fiscal 2017, from 86.93% in Fiscal 2016.

Cost of materials consumed

Our cost of materials consumed (adjusted for changes in inventories of work-in-progress, semi-finished goods and finished goods) increased by 24.05% to ₹1,242.69 million in Fiscal 2017 from ₹1,001.79 million in Fiscal 2016. This increase was in line with our growth in revenue. As a percentage of total income, our cost of materials consumed (adjusted for changes in inventories of work-in-progress, semi-finished goods and finished goods) increased to 55.69% in Fiscal 2017 from 53.79% in Fiscal 2016, owing to a change in the product mix of our Company from Fiscal 2016 to Fiscal 2017.

Employment benefit expense

Our employment benefit expense increased by 10.91% to ₹241.86 million in Fiscal 2017 from ₹218.07 million in Fiscal 2016. The increase was primarily due to annual increments given to employees of our Company, which were effective from April 1, 2016.

Finance cost

Our finance cost reduced by 45.82% to ₹19.69 million in Fiscal 2017 from ₹36.34 million in Fiscal 2016. The decrease was primarily due to a decrease in interest expense on borrowings by 41.39% to ₹18.04 million in Fiscal 2017 from ₹30.78 million in Fiscal 2016 due to repayment of term loans to the extent of ₹137.00 million during the course of the year. As a percentage of total income, our finance cost reduced to 0.88% in Fiscal 2017 from 1.95% in Fiscal 2016.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 10.78% to ₹45.12 million in Fiscal 2017 from ₹40.73 million in Fiscal 2016. This increase was due to an increase in the depreciation of property, plant and machinery located at our manufacturing facilities in Bengaluru and Chennai by 4.20% to ₹40.46 million in Fiscal 2017 from ₹38.83 million in Fiscal 2016 due to addition of fixed tangible assets at our manufacturing facilities. Further, our expenses due to amortization of intangible assets increased by 145.26% to ₹4.66 million in Fiscal 2017 from ₹1.90 million in Fiscal 2016, on account of the intellectual property arising from the acquisition of the Chennai Unit. However, as a percentage of total income, our depreciation and amortisation expense reduced to 2.02% in Fiscal 2017 from 2.19% in Fiscal 2016.

Other expenses

Our other expenses increased by 21.93% to ₹392.65 million in Fiscal 2017 from ₹322.02 million in Fiscal 2016. This increase was primarily driven by an increase in the consumption of packing materials by 70.24% to ₹25.91 million in Fiscal 2017 from ₹15.22 million in Fiscal 2016 mainly due to a sharp increase in export sales during the year. Further, an increase in operating revenue and sales also led to a corresponding increase in the following expenses: (i) an increase in contract and processing charges by 30.93% to ₹75.61 million in Fiscal 2017 from ₹57.75 million in Fiscal 2016; (ii) an increase in sales commission by 27.76% to ₹68.94 million in Fiscal 2017 from ₹53.96 million in Fiscal 2016; and (iii) an increase in business promotion expense by 154.21% to ₹23.87 million in Fiscal 2017 from ₹9.39 million in Fiscal 2016. Further, in Fiscal 2017, our Company adopted an accounting estimate for provisioning for doubtful debts based on days outstanding. This led to a substantial increase in allowance for expected credit losses on trade receivables to ₹20.69 million in Fiscal 2017 from ₹2.32 million in Fiscal 2016. There was also an increase in freight and forwarding charges by 105.78% to ₹8.19 million in Fiscal 2017 from ₹3.98 million in Fiscal 2016 due to an increase in export sales during the year.

As a percentage of total income, our other expenses increased to 17.60% in Fiscal 2017 from 17.29% in Fiscal 2016.

Restated profit before tax

Our restated profit before tax increased by 18.91% to ₹289.43 million in Fiscal 2017 from ₹243.40 million in Fiscal 2016.

However, as a percentage of total income, our restated profit before tax reduced to 12.97% in Fiscal 2017 from 13.07% in Fiscal 2016.

Total tax expenses

Our total tax expenses increased by 50.76% to ₹104.60 million in Fiscal 2017 from ₹69.38 million in Fiscal 2016. Our total tax expenses for Fiscal 2017 comprised of current tax expenses of ₹107.80 million as adjusted by a deferred tax credit of ₹3.20 million. Our total tax expenses in Fiscal 2016 comprised of current tax expenses of ₹101.00 million as adjusted by a deferred tax credit of ₹31.62 million.

As a percentage of total income, our total tax expenses increased to 4.69% in Fiscal 2017 from 3.73% in Fiscal 2016.

Restated profit for the year

As a result of the foregoing, our restated profit for the year increased by 6.21% to ₹184.83 million in Fiscal 2017 from ₹174.02 million in Fiscal 2016.

However, as a percentage of total income, our restated profit for the year reduced to 8.28% in Fiscal 2017 from 9.34% in Fiscal 2016.

Total comprehensive income for the year

Our total comprehensive income for the year increased by 3.76% to ₹184.83 million in Fiscal 2017 from ₹178.14 million in Fiscal 2016.

However, as a percentage of total income, our total comprehensive income for the year reduced to 8.28% in Fiscal 2017 from 9.57% in Fiscal 2016.

LIQUIDITY AND CAPITAL RESOURCES

We need cash primarily for our operating activities, capital expenditures for maintenance, to fund our expansion plans and for repayment of borrowings. This includes our ongoing expansion of existing facilities. We intend to fund these capital requirements through a variety of sources, including cash from operations and short- and long-term lines of credit and other borrowings where necessary.

Our principal sources of funding include cash from operations, cash and bank balances, and funds raised from time to time from borrowings. As of March 31, 2018, we had cash and cash equivalent balance of ₹14.49 million, which excludes ₹357.51 million held as investments in mutual funds and ₹34.09 million held as balances held as margin against guarantees. Our secured borrowings (long term and short term) aggregated ₹11.40 million with no unsecured borrowings (long term and short term), resulting in total secured and unsecured borrowings (long term and short term) of ₹11.40 million as of March 31, 2018.

Cash Flows

For Fiscal 2018, Fiscal 2017 and Fiscal 2016, we had cash and cash equivalent balances of ₹14.49 million, ₹45.63 million and ₹32.94 million, respectively. The following table sets out the principal elements of our cash flows for Fiscal 2018, Fiscal 2017 and Fiscal 2016.

(In ₹ million)

Particulars	For the year ending		
	March 31, 2018	March 31, 2017	March 31, 2016
Net cash inflow from operating activities	235.05	352.32	215.22
Net cash from / (used in) investing activities	(153.55)	(181.69)	(107.79)
Net cash flow from / (used in) financing activities	(112.64)	(157.94)	(110.75)
Net increase / (decrease) in cash and cash equivalents	(31.14)	12.69	(3.32)
Cash and cash equivalents at the beginning of the year	45.63	32.94	36.26
Cash and cash equivalents at the end of the year	**14.49**	**45.63**	**32.94**

Cash flows from operating activities

Net cash inflow from operating activities for Fiscal 2018 consisted of restated profit before tax of ₹450.28 million as adjusted primarily for depreciation and amortisation expenses of ₹47.87 million, allowance for bad, doubtful trade receivable and statutory form receivables of ₹3.89 million, net unrealised foreign exchange loss of ₹11.84 million, and dividend income of ₹8.75 million and as a result our cash flow from operating activities before working capital changes was ₹488.94 million for Fiscal 2018. This was further adjusted for changes in working capital and, as a result, cash flow from operating activities before payment of taxes was ₹391.18 million for Fiscal 2018. Movements in working capital were primarily on account of increase in trade receivables of ₹143.99 million, increase in inventories of ₹16.47 million, and increase in other assets of ₹107.58 million. Cash flow from operating activities before payment of taxes was ₹391.18 million for Fiscal 2018, which was adjusted for taxes paid of ₹156.13 million, as a result, net cash flow from operating activities was ₹235.05 million for Fiscal 2018.

Net cash inflow from operating activities for Fiscal 2017 consisted of restated profit before tax of ₹289.43 million as adjusted primarily for depreciation and amortisation expenses of ₹45.12 million, allowance for bad, doubtful trade receivable and statutory form receivables of ₹26.30 million, and finance costs of ₹19.69 million, and as a result our cash flow from operating activities before working capital changes was ₹368.22 million for Fiscal 2017. This was further adjusted for changes in working capital and as a result, cash flow from operating activities before payment of taxes paid was ₹442.99 million for Fiscal 2017. Movements in working capital were primarily on account of increase in trade receivables of ₹81.65 million, increase in trade payables of ₹121.24 million and increase in other liabilities of ₹44.21 million. Cash flow from operating activities before payment of taxes was ₹442.99 million for Fiscal 2017 which was adjusted for taxes paid of ₹90.67 million, as a result, net cash flows from operating activities was ₹352.32 million for Fiscal 2017.

Net cash inflow from operating activities for Fiscal 2016 consisted of restated profit before tax of ₹243.40 million as adjusted primarily for depreciation and amortisation expenses of ₹40.73 million and finance costs of ₹36.34 million, and as a result our cash flow from operating activities before working capital changes was ₹322.21 million for Fiscal 2016. This was further adjusted for changes in working capital and, as a result, cash flow from operating activities before adjusting for payment of taxes was ₹278.23 million for Fiscal 2016. Movements in working capital were primarily on account of increase in trade receivables of ₹128.51 million, increase in trade payables of ₹114.35 million, and increase in inventories of ₹42.55 million. Cash flow from operating activities was ₹278.23 million for Fiscal 2016 which was adjusted for taxes paid of ₹63.01 million, as a result, net cash flows from operating activities was ₹215.22 million for Fiscal 2016.

Cash flows from investing activities

Net cash used in investing activities for Fiscal 2018 consisted of outflows primarily in the form of payments made on purchase of fixed assets of ₹35.36 million, proceeds from sale of investments other than subsidiaries of ₹662.50 million and cash outflow on account of business combination of ₹22.48 million. The net cash used in investing activities amounted to ₹153.55 million for Fiscal 2018.

Net cash used in investing activities for Fiscal 2017 consisted of outflows primarily in the form of investments of ₹591.00 million (other than subsidiaries), cash outflow on account of acquisition of business of ₹30.03 million, and payment made on purchase of fixed assets of ₹9.03 million. The net cash flow used in investing activities amounted to ₹181.69 million for Fiscal 2017.

Net cash used in investing activities for Fiscal 2016 consisted of outflows primarily in the form of payments made on purchase of fixed assets of ₹40.04 million and investments of ₹166.11 million (other than subsidiaries). The net cash flow used in investing activities amounted to ₹107.79 million for Fiscal 2016.

Cash flows from financing activities

Net cash used in financing activities for Fiscal 2018 included outflows in the form of repayment of long term borrowings of ₹61.91 million, payment of interest of ₹2.82 million, and payment of dividend (including dividend distribution tax) of ₹47.91 million. The net cash flow used in financing activities amounted to ₹112.64 million for Fiscal 2018.

Net cash flow from financing activities for Fiscal 2017 included outflows in the form of repayment of long term borrowings of ₹137.00 million and payment of interest of ₹20.94 million. The net cash flow used in financing activities amounted to ₹157.94 million in Fiscal 2017.

Net cash used in financing activities for Fiscal 2016 included outflows in the form of repayment of long term borrowings of ₹81.85 million and payment of interest of ₹36.40 million. The net cash used in financing activities amounted to ₹110.75 million in Fiscal 2016.

Fixed assets

Our tangible fixed assets principally include expenses towards property, plant and machinery and other fixed assets including electrical equipment, furniture and fixtures and vehicles.

Cash outflow on account of purchase of fixed assets for Fiscal 2018, Fiscal 2017 and Fiscal 2016 was ₹35.36 million, ₹9.03 million and ₹40.04 million, respectively. The following table provides a breakdown of our property, plant, and equipment by category:

(In ₹million)

Asset class	Carrying value as on		
	March 31, 2018	March 31, 2017	March 31, 2016
Freehold land	125.09	125.09	125.09
Buildings	71.38	78.39	86.37
Plant and equipment	73.71	83.59	95.67
Electrical equipments	1.36	1.66	2.03
Tools and patterns	14.87	15.43	16.20
Furniture and fixtures	2.90	2.44	2.68
Office equipment	3.60	3.83	4.15
Vehicles	8.48	12.34	17.95
Computers	3.06	2.74	2.80
R&D equipments	1.95	3.24	4.37
TOTAL	306.40	328.75	357.31

Capital commitments

Our outstanding capital commitments as on March 31, 2018, March 31, 2017 and March 31, 2016 were ₹74.11 million, ₹22.50 million, and NIL, respectively, on account of estimated number of contracts remaining to be executed on capital accounts (net of advances).

BORROWINGS

As on March 31, 2018, our consolidated borrowings (non-current and current) aggregated to ₹11.40 million, which consisted primarily of non-current borrowings amounting to ₹9.47 million and current borrowings of ₹1.93 million.

(In ₹million)

Particulars	As on		
	Mar 31, 2018	Mar 31, 2017	Mar 31, 2016
Non-current borrowings*			
Secured borrowings	9.47	11.47	119.88
Unsecured borrowings			
Current borrowings			
Secured borrowings	1.93	61.84	90.43
Unsecured borrowings			
TOTAL BORROWINGS	11.40	73.31	210.31

** Amount includes total portion (i.e., non-current portion and current portion).*

As of March 31, 2018, total portion of our non-current borrowings payable in the next 12 months is ₹1.93 million consisting of secured borrowings of ₹1.93 million and unsecured borrowings of NIL.

For more information, please refer to the chapter *"Financial Indebtedness"* and "*Financial Statements*" on pages 383 and 207, respectively.

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2018, we had the following contingent liabilities and commitments not provided for, as disclosed in the notes to our Restated Consolidated Financial Information:

(In ₹million)

	Particulars	**March 31, 2018**
1.	Pertaining to labour matters	3.78
TOTAL		3.78

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials such as aluminium and steel, which we use in the production of our equipment. While we seek to pass on input cost increases to our customers, we may not be able to fully achieve this in all situations or at all times.

Foreign exchange risk

We face foreign exchange risk in respect of (i) imported raw materials and components; (ii) sale of equipment and services; (iii) capital expenditure in the nature of imports; and (iv) currency mismatches between our income and our expenditures, which we seek to manage as much as possible by matching income currency to expenditure currency.

Interest rate risk

We may be subject to market interest risks due to fluctuations in interest rates primarily in relation to debt obligations with floating interest rates. As on March 31, 2018, none of our outstanding loans carried floating interest rate. We are, however, subject to interest rate fluctuation risk with respect to cash credit facilities that we may avail in future from our lenders.

Credit risk

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

As on March 31, 2018, March 31, 2017 and 2016, our accumulated accrual for expected credit losses amounted to ₹25.58 million, ₹25.93 million, and ₹5.18 million, respectively, on a consolidated basis.

RELATED PARTY TRANSACTIONS

For details of our related party transactions, please refer to the chapter "*Related Party Transactions*" on page 204.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Unusual of infrequent events of transactions

To our knowledge, there have been no other events or transactions that may be described as "unusual" or "infrequent" during the last three Fiscal years.

Significant economic and regulatory changes

Except as described in the chapters "*Risk Factors*" and "*Regulations and Policies*" on pages 20 and 169, respectively, there have been no significant economic or regulatory changes that could affect our income from continuing operations.

Future relationship between costs and income

Other than as described in this chapter and in the chapters "*Risk Factors*" and "*Our Business*" on pages 20 and 155, respectively, to our knowledge, there are no known factors that may materially affect the future relationship between our operations and income.

Known trends or uncertainties

Except as described in this Draft Red Herring Prospectus, including in the chapter "*Risk Factors*" on page 20 and in this section in particular, to our knowledge, there are no trends or uncertainties that have or had or are expected to have any material adverse impact on our results of operations.

Dependence on a few customers and suppliers

We rely on an identified pool of suppliers for fulfilling our raw material needs. For further details, please refer to the chapters "*Risk Factors*" and "*Our Business*" on pages 20 and 155, respectively.

Competitive conditions

We operate in a competitive environment. For further details, please refer to the discussions regarding our competition in "*Risk Factors*" and "*Our Business*" on pages 20 and 155, respectively.

Total turnover of each major industry segment in which the issuer operated

We are primarily engaged in the business of manufacture of agricultural processing equipment, which are governed by the similar economic characteristics, nature of service and production, and hence our business activities fall within a single business segment. For industry related information, see "*Industry Overview*" on page 110.

Status of any publicly announced new products or business segment

We have not publicly announced any new products or business segments.

Extent of seasonality of business

Our sales could be affected due to seasonal trends in the agriculture sector, as most of our revenue is generated by the sale of our milling equipment prior to the commencement of the agricultural season. For further details, please see "*Risk Factor 8. – The agriculture sector is seasonal in nature. We experience the effects of seasonality, which may result in our operating results fluctuating significantly and also, reduce our sales"* on page 23, and "- *Significant factors affecting our results of operations and financial condition – Seasonality*" on page 365.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2018

To our knowledge and belief, except as stated below and otherwise disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the last financial information contained in this Draft Red Herring Prospectus which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months:

- Our Company allotted 6,942,776 Equity Shares on June 22, 2018 pursuant to a bonus issue in the ratio of 347 Equity Shares for every 153 Equity Shares held to our Shareholders, which was authorised by a Shareholders' resolution passed at the AGM held on June 15, 2018.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiary avail loans in the ordinary course of business, primarily for the purposes of meeting working capital requirements. Our Company provides a guarantee in relation to these loans as and when required.

Set forth below is a brief summary of our aggregate borrowings as on March 31, 2018:

(₹ in million)

Nature of borrowing	Amount sanctioned	Amount outstanding as on March 31, 2018
Company (A)		
Term loan		
Secured borrowings	15.00	11.40
Unsecured borrowings	NIL	NIL
Working capital facilities		
Secured borrowings	120.00	NIL
Unsecured borrowings	NIL	NIL
Total borrowings (A)	135.00	11.40
Subsidiary (B)		
Term loan		
Secured borrowings	NIL	NIL
Unsecured borrowings	NIL	NIL
Working capital facilities		
Secured borrowings	NIL	NIL
Unsecured borrowings	NIL	NIL
Total borrowings (B)	NIL	NIL
Total borrowings (A+B)	135.00	11.40

Principal terms of the borrowings availed by us:

1. ***Interest***: The interest rate is typically the MCLR / base rate of our lender and spread per annum. The spread varies between different loans availed by us.

2. ***Tenor***: The tenor of the term loans availed by us ranges from 36 months to 84 months. The tenor of working capital loans is typically 12 months, subject to review every six months.

3. ***Security***: In terms of our borrowings where security needs to be created, we are typically required to:

   (a) Create security by way of hypothecation of our current and future current assets, including stocks and book debts; and

   (b) Create equitable mortgage over our properties;

   Further, our vehicle loans are secured by way of a hypothecation over the vehicles procured through such loans.

   The aforesaid list is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us from time to time.

4. ***Re-payment***: While our term loans are not repayable on demand, our working capital facilities are typically repayable on demand.

5. ***Events of default***: Borrowing arrangements entered into by us contain certain events of default, including but not limited to the following:

   (a) Non-utilization of the facilities or a part of the facilities by our Company;

   (b) Deterioration in the loan accounts of our Company; and

   (c) Non-compliance of the terms and conditions of the sanction letters by our Company.

6. ***Restrictive Covenants***: Certain borrowing arrangements entered into by us contain restrictive covenants, including the following:

   (a) Change in capital structure of our Company including increase, reduction, purchase, buy-back, reorganisation, without prior permission of the lender;

(b) Purchase or redemption of any of our issued shares without the prior permission of the lender;

(c) Entering into any amalgamation, demerger, merger, reconstruction or any other corporate action of similar nature, without prior permission of the lender;

(d) Making any investment, granting loans or giving any guarantee on behalf of any person, firm or company, without prior permission of the lender;

(e) Amending or modifying our Company's constitutional documents which may have a material adverse effect on the borrowing without prior permission of the lender; and

(f) Selling, assigning, mortgaging, transferring, granting, leasing, creating a security over or otherwise disposing of any of the assets of the projects offered as a security in a particular loan, without prior permission of the lender.

The aforesaid list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

For further details in relation to our financial indebtedness, see "*Financial Statements*" on page 207.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal litigation involving our Company, Subsidiary, Directors, Promoters, or Group Company, (ii) actions by any statutory or regulatory authorities involving our Company, Subsidiary, Directors, Promoters, or Group Company, or (iii) claim involving our Company, Subsidiary, Directors, Promoters, or Group Company for any direct or indirect tax liabilities, respectively, on a consolidated basis. Further, except as stated in this section, there are no (i) other pending litigation involving our Company, Subsidiary, Directors, Promoters, Group Company or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, (ii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations, and (iii) outstanding dues to small scale undertakings and other creditors

*With respect to point (i) above, our Board, in its meeting held on June 14, 2018, has adopted a policy for identification of material legal proceedings ("**Materiality Policy**"). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Subsidiary, Directors, Promoters, or Group Company, in addition to criminal proceedings, taxation matters, and regulatory actions, would be considered 'material', if the monetary amount of claim by or against the entity or person in such proceeding is 1% (or in excess of 1%) of the profit after taxes of the Company as per the Restated Consolidated Financial Information for the Financial Year Ended March 31, 2018, being ₹2.91 million, and (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations, prospects, or reputation of our Company are considered 'material', and disclosed in this Draft Red Herring Prospectus*

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, the Subsidiary, Directors, Promoters, and the Group Company shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiary, Directors, Promoters, and our Group Company, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

*Further, with respect to point (ii) above, our Board, in its meeting held on June 14, 2018, determined that outstanding dues to creditors in excess of 0.5% of our Company's trade payables, being ₹3.20 million as per our Restated Consolidated Financial Information for the Financial Year ended March 31, 2018, shall be considered as material dues ("**Material Dues**"). Details of outstanding dues to creditors including small scale undertakings as required under the SEBI ICDR Regulations have been disclosed on our website at www.milltecmachinery.com.*

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Red Herring Prospectus.

All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding criminal proceedings involving our Company

(i) Criminal proceedings against our Company

There are no criminal proceedings against our Company.

(ii) Criminal proceedings by our Company

1. Our Company has filed a first information report dated May 11, 2007 ("**FIR**") with the Hebbagodi police station against D R Ashok Kumar and several others (the "**Accused**"), alleging that the Accused, who were former employees of our Company, had stolen blueprints and other intellectual property from our Company. In addition, our Company alleged that the Accused had used the stolen blueprints to manufacture machinery that was very similar to the equipment manufactured by our Company, resulting in a violation of our Company's intellectual property rights. Based on the FIR, the Hebbagodi Police Station filed a charge sheet with the Additional Civil Judge and Judicial Magistrate First Class, Anekal ("**Anekal JMFC**"). The matter has been listed for evidence before the Anekal JMFC, and is accordingly, pending.

2. Our Company has filed a first information report dated January 8, 2014 ("**FIR**") with the Hebbagodi police station against M D Ramesh, a former employee of our Company (the "**Accused**"), alleging that the Accused had cheated our Company of ₹1.30 million by fraudulently selling spare parts without authorisation and raising false invoices. Based on the FIR, the Hebbagodi Policy Station filed a charge sheet with the Additional Civil Judge and Judicial Magistrate First Class, Anekal ("**Anekal JMFC**"). The matter has been listed for evidence before the Anekal JMFC, and is accordingly, pending.

(b) Outstanding litigation involving our Company in accordance with the Materiality Policy

1. The Bangalore South Industrial Workers Union ("**BSI Workers Union**") has filed a statement of claim for

adjudication before the Industrial Tribunal, Bengaluru, under Section 10(1)(d) of the Industrial Disputes Act, 1947 ("**Industrial Claim**"). The brief facts of the Industrial Claim are that certain workers of the Company had, through the BSI Workers Union, lodged a charter of demands with our Company by way of a letter dated January 19, 2012 ("**Charter of Claims**"). The Charter of Claims, *inter alia*, demanded that our Company (i) enhanced the basic wages of our workmen by ₹3,000, (iii) enhanced the house rent allowance of our workmen by ₹1,000, (iii) provide our workmen with education allowances of ₹500, every month, (iv) provide our workmen with two days paid leave annually, with a month's gross salary allocated as leave travel allowance, and (v) facilitate the provision of interest free loans of ₹25,000 to our workmen, which can be recovered by our Company from the salaries of such workmen in 10 equal installations. On June 30, 2017, our Company responded to the Industrial Claim by filing a counter statement with the Industrial Tribunal, Bengaluru. If the Industrial Claim is allowed by the Industrial Tribunal, Bengaluru, our Company estimates spending approximately ₹3.78 million towards addressing the terms of the Charter of Claims. The matter is pending.

(c) Actions by statutory or regulatory authorities against our Company

There are no outstanding actions by statutory or regulatory authorities against our Company.

(d) Tax proceedings involving our Company

Indirect Tax proceedings (consolidated)

There are no indirect tax proceedings involving our Company.

Direct Tax proceedings (consolidated)

Sr. No.	Direct Tax	Number of cases	Approximate amount in dispute/demanded (in ₹ million)
1.	Income Tax	4	41.00
Total		4	41.00

(a) Default and non-payment of statutory dues

As on the date of this Draft Red Herring Prospectus, there are no outstanding defaults in the payment of statutory dues.

(b) Outstanding dues to small scale undertakings and any other creditors

In terms of the Materiality Policy, our Company considers outstanding dues to creditors in excess of ₹3.20 million as material dues.

As per our Restated Consolidated Financial Information, as of March 31, 2018, we had 513 creditors to whom a total amount of ₹639.39 million was outstanding. On the basis of the Materiality Policy, we had 19 material creditors to whom a total amount of ₹443.21 million was outstanding.

Complete details of outstanding dues to our creditors as on March 31, 2018 are available at the website of our Company, www.milltecmachinery.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.milltecmachinery.com, would be doing so at their own risk.

(c) Detail of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development, 2006

As of March 31 2018, there were three cases of dues to micro, small and medium enterprises to whom a total amount of ₹0.91 million was outstanding.

Complete details of outstanding dues to micro, small and medium enterprises as on March 31, 2018 are available at the website of our Company, *www.milltecmachinery.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.milltecmachinery.com, would be doing so at their own risk.

LITIGATION INVOLVING OUR SUBSIDIARY

(a) M S Sorters Private Limited

NIL

LITIGATION INVOLVING OUR DIRECTORS

(a) Outstanding criminal proceedings involving our Directors

(i) Criminal proceedings against our Directors

H G Chandrashekar ("**Chandrashekar**"), a former employee of our Company, registered a first information report with the Hebbagodi Police Station against our Directors, Rajendran Joghee and Ravindranath Ramaiah, among other persons (together the "**Accused**", and such first information report, the "**FIR**"). In the FIR, Chandrashekar had, *inter alia*, alleged that the Accused, with common intention, had undertaken various actions to intimidate and kidnap Chandrashekar. Based on the FIR, the Hebbagodi Police Station registered a complaint with the Additional Civil Judge and Judicial Magistrate First Class, Anekal ("**Anekal JMFC**"). Subsequently, the Hebbagodi Police Station undertook an investigation into the various allegations levelled in the FIR and registered a 'B Report' with the Anekal JMFC, citing lack of evidence. Based on the B Report filed by the Hebbagodi Police Station, the Anekal JMFC discharged all the Accused on December 20, 2012. Subsequently, on August 16, 2013, Chandrashekar approached the Anekal JMFC seeking an opportunity to file a protest petition, which was allowed. Since August 16, 2013, Chandrashekar has not made any representation before the Anekal JMFC, and the matter is pending.

(ii) Criminal proceedings by our Directors

NIL

(b) Outstanding litigation involving our Directors in accordance with the Materiality Policy

(i) Ravindranath Ramaiah

Ravindranath Ramaiah has filed a writ petition against the Union of India (represented by the Ministry of Corporate Affairs) and the Registrar of Companies, Karnataka at Bengaluru (the "**Respondents**", and such writ petition, the "**Writ Petition**") challenging the disqualification of his directorship under Section 164(2)(a) of the Companies Act, 2013. The facts of the case are that the name of Ravindranath Ramaiah was published in a list of disqualified directors, released by the Ministry of Corporate Affairs, GoI on September 19, 2017. Ravindranath Ramaiah, who is a director on the board of directors of Ecotech Machinery Private Limited ("**Ecotech**"), was included in the abovementioned list on account of Ecotech's failure to file annual returns and financial statements for three continuous financial years. Subsequent to the publication of the abovementioned list, the Ministry of Corporate Affairs released the Condonation of Delay Scheme, 2018 ("**Scheme**"), allowing defaulting companies to regularise their filings by complying with the requirements set out under the Scheme. Ecotech thus approached the National Company Law Tribunal, Bengaluru Bench, to avail the benefit of the Scheme. The National Company Law Tribunal, by way of an order dated April 18, 2018, directed the restoration of Ecotech, and called upon it to file relevant annual returns and financial statements with the Registrar of Companies within 30 days from the date of its restoration. Upon restoration, Ecotech carried out filings of its annual returns and financial statements in accordance with the provisions of the Companies Act, 2013.

In the interim, Ravindranath Ramaiah approached the High Court of Karnataka by way of the Writ Petition challenging the action of the Ministry of Corporate Affairs disqualifying him as a director. The grounds submitted for the consideration of the High Court of Karnataka, *inter alia*, included the fact that Ecotech stood struck off from the register of companies on July 17, 2017, resulting in its dissolution. Accordingly, Ecotech was impeded from filing financial statements and annual returns by October 30, 2017 and November 29, 2017, respectively, in accordance with the provisions of the Companies Act, 2013. Further, the Writ Petition also states that the disqualification of Ravindranath Ramaiah is arbitrary, on account of Section 403 of the Companies Act, 2103, providing defaulting companies with a remedy for filing, registering, or intimating a fact or statutory information by paying an additional fee. By way of an order dated June 4, 2018, the High Court of Karnataka issued an interim stay on the disqualification of Ravindranath Ramaiah's directorship. The matter is pending.

(c) Actions by statutory or regulatory authorities against our Directors

NIL

(d) Tax proceedings involving our Directors

NIL

LITIGATION INVOLVING OUR PROMOTERS

(a) Outstanding criminal proceedings involving our Promoters

(i) Criminal proceedings against our Promoters

Please see "*Outstanding Litigation and Material Developments – Litigation Involving our Directors – Criminal proceedings against our Directors*" on page 387, for details of the criminal complaint registered by the Hebbagodi Police Station with the Additional Civil Judge and Judicial Magistrate First Class, Anekal, against our Promoters Rajendran Joghee and Ravindranath Ramaiah, among other persons. Such criminal complaint was filed on the basis of a first information report, filed by G Chandrashekar with the Hebbagodi Police Station.

(ii) Criminal proceedings against our Promoters

NIL

(b) Material outstanding litigation involving our Promoters in accordance with the Materiality Policy

Please see "*Outstanding Litigation and Material Developments – Litigation involving our Directors – Outstanding litigation involving our Directors in accordance with the Materiality Policy – Ravindranath Ramaiah*" on page 387 for details of the writ petition filed by our Director, Ravindranath Ramaiah in the High Court of Karnataka.

(c) Actions by statutory or regulatory authorities against our Promoters

Please see "*Outstanding Litigation and Material Developments – Litigation Involving our Directors – Actions by statutory or regulatory authorities against our Directors*" on page 387.

(d) Tax proceedings involving our Promoters

NIL

LITIGATION INVOLVING OUR GROUP COMPANY

(a) Agri Power and Engineering Solutions Private Limited

NIL

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE

Except as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Developments after March 31, 2018*" on page 382, there have been no developments subsequent to March 31, 2018 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiary have received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiary undertake to obtain all material approvals, licenses and permissions required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to set up and operate our manufacturing facilities. 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. For further details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Regulations and Policies" on pages 20 and 169, respectively.

The objects clause of the respective memoranda of association enables our Company and our Subsidiary to undertake their present business activities.

The approvals required to be obtained by us include the following:

APPROVALS IN RELATION TO THE OFFER

For details, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 392.

CORPORATE APPROVALS

(a) Certificate of incorporation dated August 28, 1998, issued by the RoC to our Company in our former name, being MILLTEC Machinery Private Limited.

(b) Fresh certificate of incorporation dated March 21, 2018 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of MILLTEC Machinery Limited.

(c) Our Company's corporate identity number is U85110KA1998PLC024139.

APPROVALS UNDER TAXATION LAWS

Our Company is required to register itself under various national taxation laws, as well as state specific tax laws such as the IT Act, CGST Act, and the IGST Act. Our Company has obtained necessary licenses and approvals from the appropriate regulatory and governing authorities, in relation to such tax laws. Details of the approvals obtained by our Company and Subsidiary under applicable taxation laws are as follows:

(a) Our Company's PAN number is AABCM6912D.

(b) Our Company's TAN number is BLRM02300E.

(c) Our Company's central sales tax registration number is 11871313.

(d) Our Subsidiary's PAN number is AAGCM0193F.

(e) Our Company's GST registration number for its operations in the state of Karnataka is 29AABCM6912D1ZM.

(f) Our Company's GST registration number for its operations in the state of Tamil Nadu is 33AABCM6912D1ZX.

(g) Our Subsidiary's GST registration number for its operations in the state of Karnataka is 29AAGCM0193F1ZG.

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

For information on our business operations, see "*Our Business – Overview*" on page 155. We require various approvals and / or licenses under various statutes, rules and regulations to conduct our business in India. These approvals and / or licenses may differ on the basis of the location of the facilities, *etc*. as well as the jurisdictions where we market or sell our products.

An indicative list of the material approvals required by us to undertake our businesses are set out below.

(a) Approvals in relation to our manufacturing facilities

We have four manufacturing facilities in India. The registrations and approvals obtained by our manufacturing facilities in the regular course of business are:

(i) Consent to operate our manufacturing facilities under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981.

(ii) Authorization for handling hazardous waste under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

(iii) License to work a factory under the Factories Act, 1948, issued by the Department of Factories and Boilers, Government of Karnataka.

(iv) License to work a factory under the Factories Act, 1948, issued by the Directorate of Industrial Safety and Health, Government of Tamil Nadu.

(v) Taxation registration certificates under various local, State, and Central legislations.

(vi) Fire licenses / no-objection certificates from local fire safety authorities.

(b) Registrations under employment laws

The registrations and approvals obtained by our Company and our Subsidiary under applicable labour laws, include the following:

(i) Letters of applicability issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952

(ii) Letters of applicability issued under the Employees' State Insurance Act, 1948.

(iii) Professional tax enrolment and registration certificates, as issued under applicable professional tax legislations prescribed by various States.

(iv) Registration certificate under the Contract Labour (Regulation and Abolition) Act, 1970.

(c) Foreign Trade Related Approvals

Our Company has been allotted an Importer – Exporter Code bearing #0702000167, issued by the Director General of Foreign Trade, Ministry of Commerce, Government of India.

PENDING APPROVALS

(a) Approvals which have expired and renewal applications have been made

Sr. No.	Unit	Nature of licence	Date of expiry	Application date for renewal	Act / Rule
1.	Jigani Unit	Trade license	March 31, 2018	April 9, 2018	Karnataka Municipal Corporations Act, 1976
2.	Chennai Unit	Fire service license	May 17, 2018	May 14, 2018	Tamil Nadu Fire Service Act, 1985

(b) Approvals for which no application has been made

Sr. No.	Unit	Nature of licence	Act / Rule
1.	Chennai Unit	Consent to handle hazardous waste	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
2.	KIADB Unit I	No objection certificate from the Karnataka State Fire and Emergency Services Department	Karnataka Fire Services Act, 1964
3.	KIADB Unit II	No objection certificate from the Karnataka State Fire and Emergency Services Department	Karnataka Fire Services Act, 1964

Sr. No.	Unit	Nature of licence	Act / Rule
4.	Chennai Unit	Consent to operate	Water (Prevention and Control of Pollution) Act, 1974, and Air (Prevention and Control of Pollution) Act, 1981

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on April 5, 2018 in accordance with the provisions of the Companies Act, 2013. Further, our Board has approved the DRHP by way of a circular resolution dated June 29, 2018. The IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders and has approved the Draft Red Herring Prospectus pursuant to its resolution dated June 30, 2018.

For details on the authorisations of the Selling Shareholders in relation to the Offer, see "*The Offer*" on page 76.

The Equity Shares being offered by the Selling Shareholders in the Offer have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer. The Selling Shareholders have also confirmed that they are the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

The Selling Shareholders have, on their own account, confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by them are free from any lien, encumbrance, transfer restrictions or third-party rights.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

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

None of our Promoters, Directors, or persons in control of our Company are, or were associated as promoter, directors or persons in control with any company that is prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES WITH RESPECT TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, Group Company, nor the Selling Shareholders have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. There are no violations of securities laws committed by them in the past or are pending against them.

ELIGIBILITY FOR THE OFFER

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50 % of the net tangible assets are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March

31, 2018; and

▪ Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Consolidated Financial Information and Restated Standalone Financial Information, included in this Draft Red Herring Prospectus as at, and for the last five Financial Years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014, are set forth below:

(*₹ in million, unless otherwise stated*)

Particulars	As per Ind AS						As per IGAAP			
	Fiscal 2018		Fiscal 2017		Fiscal 2016		Fiscal 2015		Fiscal 2014	
	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
Pre-tax operating profit (3)	420.63	428.01	286.45	312.44	262.07	276.55	296.37	302.56	366.39	383.85
Net worth (4)	1,063.93	1,072.76	817.15	814.37	621.49	608.67	414.64	467.77	248.39	298.37
Net tangible asset (1)	940.35	988.98	686.42	721.25	550.27	564.23	398.51	451.63	240.42	290.41
Monetary asset (2)	65.67	63.13	90.95	52.88	138.97	111.77	85.60	30.65	80.05	63.72
Monetary asset as a percentage of the net assets (%)	6.98	6.38	13.25	7.33	25.25	19.81	21.48	6.79	33.30	21.94

Source: Restated Financial Information.

Note:

(1) 'Net Tangible Asset' means the sum of all net assets of the Company excluding intangible assets and including capital work in progress as defined in Ind AS 16.

(2) 'Monetary Assets' comprises of cash and bank balances (including deposits up to maturity of three months from the reporting date).

(3) 'Pre-tax Operating Profits' has been calculated as the restated profit before tax (excluding other income and finance cost).

(4) 'Net Worth' has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Financial Years 2018, 2015 and 2014 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Consolidated Financial Information.

Average pre-tax operating profit on a standalone basis based on the three most profitable years (Financial Years 2018, 2017 and 2014) out of the immediately preceding five years is ₹374.77 million.

Average pre-tax operating profit on a consolidated basis based on the three most profitable years (Financial Years 2018, 2015 and 2014) out of the immediately preceding five years is ₹361.13 million.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, MOTILAL OSWAL INVESTMENT

ADVISORS LIMITED AND IIFL HOLDINGS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR ALL STATEMENTS IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES IN CONNECTION WITH THE OFFER AND THE EQUITY SHARES OFFERED BY THEM IN THE OFFER, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2018, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC, FRAMED / ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID. – COMPLIED WITH AND NOTED FOR COMPLIANCE

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE COMPANY'S PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT

RED HERRING PROSPECTUS.- COMPLIED WITH AND NOTED FOR COMPLIANCE

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. NOT APPLICABLE**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY, AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED / TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION. – COMPLIED WITH**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHILE MAKING THE OFFER. – COMPLIED WITH AND NOTED FOR COMPLIANCE**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH**

16. **WE ENCLOSE THE STATEMENT ON PRICE INFORMATION ON PAST ISSUES HANDLED BY THE BRLMS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER THE FORMAT SPECIFIED BY THE SECURITIED AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. – COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED, IN ACCORDANCE WITH THE RELEVANT ACCOUNTING STANDARDS IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY SRIRAMULU NAIDU & CO, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 008975S), CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED JUNE 29, 2018.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THECASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

The filing of this Draft Red Herring Prospectus does not however, absolve our Company or any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, the Directors, the Selling Shareholders, and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus, or in the advertisements or any other material issued by or at our Company's instance, and anyone placing reliance on any other source of information, including our Company's website www.milltecmachinery.com, or the respective websites of our Subsidiary, members of the Promoter Group or Group Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders, and our Company.

All information shall be made available by our Company, the Selling Shareholders, and the BRLMs to the public and investors at large, and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters, and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their associates (as per the Companies Act, 2013) and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders, and their respective group entities, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group entities, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, public financial institutions as defined in Section 2(72) of the Companies Act, 2013, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in shares, permitted insurance companies and pension funds, multilateral and bilateral development financial institutions, state industrial development corporations, and insurance funds set up and managed by the army, navy, or airforce of the Union of India, and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs and eligible FPIs (including FIIs). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to, or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru, Karnataka, India only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiary, our Group Company or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any and applicable US state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Southern Regional Office, Overseas Towers. 7th Floor, 758 – L Anna Salai, Chennai – 600 002, Tamil Nadu, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies

Act, 2013 would be delivered for registration with RoC at Kendriya Sadan, 2nd Floor, E – Wing, Koramangala, Bengaluru – 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid / Offer Closing Date. Further, the Selling Shareholders confirm that they shall extend all reasonable cooperation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid / Offer Closing Date or such other timeline as prescribed by law.

The Selling Shareholders undertake to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. For details relating to the expenses for the Offer, see "*Objects of the Offer – Offer Expenses*" on page 104.

Price information of past issues handled by the BRLMs

A. Motilal Oswal

1. *Price information of past issues handled by Motilal Oswal Investment Advisors Limited:*

Price information of past public issues handled by Motilal Oswal Investment Advisors Limited (during current financial year and two financial years preceding the current financial year):

Sr. No.	Issue Name	Issue Size (Rs. million)	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.	Indostar Capital Finance Limited	18,440.00	572.00	21-May-18	600.00	-1.92% [2.43%]	-	-
2.	MAS Financial Services Limited	4,600.42	459.00	18-Oct-17	660.00	28.45% [+0.71%]	35.80% [+4.79%]	31.55% [+3.11%]
3.	Dixon Technologies (India) Limited	5,992.79	1766.00	18-Sep-17	2,725.00	50.78% [+0.57%]	80.93% [+1.77%]	95.22% [+0.41%]
4.	AU Small Finance Bank Limited	19,125.14	358.00	10-July-17	530.00	53.60% [+1.40%]	71.80% [+2.14%]	95.38% [+8.06%]
5.	GTPL Hathway Limited	4,848.00	170.00	4-July-17	170.00	-13.32% [+4.16%]	-19.90% [+1.82%]	-2.94% [+9.54%]
6.	PSP Projects Limited	2,116.80	210.00	29-May-17	190.00	21.67% [-1.18%]	68.37% [+2.63%]	103.21% [+8.17%]
7.	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	152.94% [+0.16%]	166.35% [+5.88%]	263.80% [+10.57%]
8.	BSE Limited	12,434.32	806.00	3-Feb-17	1,085.00	10.51% [+1.79%]	24.21% [+7.08%]	32.41% [+15.34%]
9.	S.P. Apparels Limited	2,391.20	268.00	12-Aug-16	275.00	27.33% [+2.24%]	17.09% [-0.54%]	51.94% [+1.11%]
10.	Parag Milk Foods Limited	7,505.37	215.00	19-May-16	217.50	17.07% [+4.97%]	48.67% [+11.04%]	38.93% [+6.59%]

Source: www.nseindia.com
Notes:

1. *The S&P CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
4. *In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor Issue price was ₹227 per equity share.*

2. *Summary statement of price information of past public issues handled by Motilal Oswal Investment Advisors Limited:*

Financial Year	Total no. of IPOs	Total funds raised (Rs. million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th 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%
2018 – date*	1	18,440.00	NA	NA	1	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017 – 2018	5	36,683.15	NA	NA	1	2	1	1	NA	NA	1	3	1	NA
2016-2017	4	41,000.89	NA	NA	NA	1	1	2	NA	NA	NA	2	2	NA

Source: www.nseindia.com
** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

B. IIFL

1. Price information of past issues handled by IIFL Holdings Limited:

Price information of past public issues handled by IIFL Holdings Limited (during current financial year and two financial years preceding the current financial year):

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	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	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.3%, [+0.3%]	+3.1%, [+4.0%]	+45.5%, [+6.0%]
2	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	+50.8%, [+1.2%]	+80.9%, [+2.5%]	+95.2%, [+1.1%]
3	Capacit’e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	+60.3%, [+5.3%]	+18.1%, [+0.3%]
4	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
5	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
6	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	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
7	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
8	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
9	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
10	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	NA	NA

Source: www.nseindia.com
Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

2. *Summary statement of price information of past public issues handled by IIFL Holdings Limited:*

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	1	35,148.49	-	1	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com
Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Motilal	http://www.motilaloswalgroup.com/Our-Businesses/Investment-Banking/Track-Record
2.	IIFL	https://www.iiflcap.com

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Chief Executive Officer, our Statutory Auditors, Legal Counsel to the Offer, banker / lenders to our Company and our Subsidiary, the BRLMs, the Syndicate Members, Bankers to the Offer and the Registrar to the Offer, and CRISIL, to act in their respective capacities, have been / will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Deloitte Haskins & Sells, Chartered Accountants, have given their written consent dated June 30, 2018 for inclusion of their reports dated June 29, 2018 on the Restated Financial Information of our Company, and the statement of tax benefits dated June 29, 2018 in the form and context, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name as required, in this Draft Red Herring Prospectus, and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Information and Restated Consolidated Financial Information, each dated June 29, 2018 and the statement of tax benefits dated June 29, 2018, included in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Offer expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditors fees and listing fees. For further details of Offer expenses, see "*Objects of the Offer*" on page 104.

Other than the listing fees (which shall be borne by our Company), all other expenses for the Offer shall be shared amongst the Selling Shareholders, in proportion to the Equity Shares being offered by them in the Offer.

Fees payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice / CAN / refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement June 27, 2018 entered into, between our Company, the Selling Shareholders, and the Registrar to the Offer, a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post / speed post / under certificate of posting.

The Selling Shareholders will reimburse our Company the expenses incurred in relation to his Equity Shares offered in the Offer for Sale.

IPO grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 86, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by our Company, listed Group Company and Subsidiary

Neither our Company, nor our Subsidiary, nor our Group Company have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public / rights issue of our Company and / or listed Group Company, Subsidiary and associate companies of our Company

Our Company has not undertaken any previous public or rights issue. Neither our Subsidiary, nor our Group Company has undertaken any public or rights issue in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Outstanding debentures or bonds

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any outstanding Preference Shares or convertible instruments as of the date of filing this Draft Red Herring Prospectus.

Partly paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock market data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

For details of the Offer expenses, see "*Objects of the Offer*" on page 104.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see "*Objects of the Offer*" on page 104.

Redressal of investor grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. There are no investor complaints pending on the date of filing this Draft Red Herring Prospectus, and our Company has not received any investor complaint in the three years prior to the filing of the Draft Red Herring Prospectus.

Our Company has appointed a Stakeholders' Relationship Committee comprising Ramaiah Ravindranath, Sridhar Sankararaman, and Rajendran Joghee as members. For details, see "*Our Management*" on page 183.

Our Company has also appointed Kavita Manta, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 78.

Apart from the non-convertible debentures of our Group Company, which are listed on BSE's wholesale trade market there are no listed companies under the same management as our Company.

Changes in auditors

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

Capitalisation of reserves or profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 86.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, and therefore there are no investor complaints pending against our Company.

Revaluation of assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN / Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents / certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and / or other authorities, as in force on the date of the Offer, and to the extent applicable, or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and / or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 454.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the Listing Regulations. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 205 and 454, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 each and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Kannada newspapers, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), at least five Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and / or consolidation / splitting, see "*Main Provisions of Articles of Association*" on page 454.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated May 10, 2018 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated April 3, 2018 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Bengaluru.

Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale / transfer / alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

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

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time give notice requiring any nominee to choose either to be himself or herself registered, or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer at any time after the Bid / Offer Opening Date but before Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also promptly inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges. If our Company withdraws the Offer after the Bid / Offer Closing Date and thereafter determines that it will proceed with an issue / offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid / Offer Programme

BID / OFFER OPENS ON	[●][(1)]
BID / OFFER CLOSES ON	**[●]**[(2)]

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

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

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

Event	Indicative date
Bid / Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Accounts	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange(s)	On or about [●]

The above timetable, other than the Bid / Offer Closing Date, is indicative, and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by such Selling Shareholders in the Offer) at all Stock Exchanges within six Working Days from the Bid / Offer Closing Date.

Submission of Bids (other than Bids from Anchor Investors):

Bid / Offer Period (except the Bid / Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid / Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid / Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST, or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid / Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid / Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid / Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that in the event a large number of Bids are received on the Bid / Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public / bank holiday). None among our Company, the Selling Shareholders, or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Any Retail Individual Bidder whose Bid has not been considered for Allotment, due to failures on the part of the SCSB, may seek redressal from the concerned SCSB within three months of the listing date in accordance with the SEBI circular #SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

In case of any discrepancy in the data entered in the electronic book vis- à -vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid / Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment for such percentage of the post-Offer paid-up Equity Share capital of our Company equivalent to at least 25% of the post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(i) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid / Offer Closing Date, the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, and the Selling Shareholders shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law, provided that, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

Further, our Company and the Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 86 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares / debentures and on their consolidation / splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 454.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to 3,751,499 Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising an Offer for Sale of up to 1,677,596 Equity Shares by Multiples Mauritius, 573,304 Equity Shares by Multiples India, 606,125 Equity Shares by Rajendran Joghee, 606,125 Equity Shares by Ravindranath Ramaiah, 144,175 Equity Shares by Manjula Rajendran, and 144,174 Equity Shares by Uma Rachappa. The Offer will constitute 37.50% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation*(2)	1,875,750 Equity Shares	Not less than 562,724 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not less than 1,313,025 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Percentage of Offer Size available for Allotment / allocation	Not more than 50% of the Offer. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 35% of the Offer less allocation to QIB Bidders and Retail Individual Bidders
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) at least 37,515 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b)712,785 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to 1,125,450 Equity shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares shall be allocated on a proportionate basis. For details see, "*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 444.
Mode of Bidding	ASBA only (3)	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits to the Bidder	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits to the Bidder	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Trading Lot	One Equity Share		
Who can apply(4)	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III foreign portfolio investors, FIIs and their sub-accounts registered with the	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India, and Systemically Important NBFCs.	SEBI other than a sub-account which is foreign corporate or foreign individual	
Terms of Payment	The entire Bid Amount shall be payable on submission of Bid cum Application form (including for Anchor Investor). Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[(3)]		

**Assuming full subscription in the Offer*

(1) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. In case of undersubscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For details, see "Offer Procedure" on page 412.*

(2) *Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.*

(3) *Anchor Investors are not permitted to use the ASBA process. Entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form to the members of the Syndicate. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 444.*

(4) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder, whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form, and such first Bidder would be deemed to have signed on behalf of the joint holders.*

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs, and the Designated Stock Exchange. Our Company and the Selling Shareholders may, in consultation with the BRLMs, may offer a Retail Discount in accordance with the SEBI ICDR Regulations.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, and including SEBI Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (the "**General Information Document**") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of undersubscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidder in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Undersubscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

The ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including Eligible NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Category), FPIs, and multilateral and bilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors**	White

* *Excluding electronic Bid cum Application Form*
***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*
^ *Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB, where the Bidder has the ASBA bank account details of which were provided by the Bidder in his respective ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 426, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion;
- Scientific and / or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members and the Promoters and Promoter Group.

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs, nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion. Provided that the Promoters may participate in the Offer to the extent that they are offering their Equity Shares in the Offer.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account, may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter alia*, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, initial public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up, and such funds shall not launch any new scheme or increase the targeted corpus of the fund or scheme after the notification of the SEBI AIF Regulations. Further, VCFs whose registration has expired are not eligible to participate in the Offer.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing a draft offer document with SEBI.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies and Systemically Important NBFCs

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation in with the BRLMs, reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI Circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issue by RBI, and (ii) such other approval as may be required by the approval Systemically Important NBFCs are required to attach to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

(a) Equity shares of a company: the lower of 10% of the investee company's outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) The industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds / pension funds

In case of Bids made by provident funds / pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the Indian army, navy, or air force, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders may, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and the Red Herring Prospectus, and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the bank account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Ensure that the name(s) given in the Bid cum Application Form is / are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI Circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI Circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details with the Depositories are updated, true and correct in all respect;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17. Ensure that the category and the investor status is indicated clearly;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not submit a Bid / revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;
4. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not submit the Bid for an amount more than funds available in your ASBA account;
10. 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;
11. 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;
12. 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);
13. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
15. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder; and
16. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Anchor Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[•] – Escrow Account – R"

(b) In case of Non-Resident Anchor Investors: "[•] – Escrow Account – NR"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], [●] editions of [●] and [●] editions of [●] (which are widely circulated English, Hindi and Kannada newspapers, Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located). In the pre- Offer advertisement, we shall state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholders, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid / Offer Closing Date will be taken;
- our Company shall make the necessary applications to the Stock Exchanges for the Equity Shares;
- if Allotment is not made within the prescribed time period under applicable law, application money will be refunded / unblocked in the relevant ASBA Account within 15 days from the Bid / Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

- the funds required for making refunds as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- Promoters' contribution, if required, shall be brought in advance before the Bid / Offer Opening Date;

- that if our Company and / or the Selling Shareholder do not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- that it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid / Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities / refund orders to Eligible NRIs shall be despatched within specified time; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account / refunded on account of non-listing, undersubscription, etc.

Undertakings by the Investor Selling Shareholders

The statements and undertakings provided below, in relation to the Investor Selling Shareholders, are statements which are specifically confirmed or undertaken by the Investor Selling Shareholders. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Investor Selling Shareholders, shall be statements made by our Company, even if the same relate to the Investor Selling Shareholders. The Investor Selling Shareholders severally and not jointly undertake that:

- the Equity Shares being sold by them pursuant to the Offer have been held by them for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI, or have been issued or received in accordance with Regulation 26(6) of the SEBI ICDR Regulations, and are fully paid-up and in dematerialised form;

- they are the legal and beneficial owner of, and have full title to the Equity Shares being sold by them in the Offer;

- the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances, and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

- they shall provide appropriate instructions, and all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by them pursuant to the Offer;

- they shall comply with all regulatory filings under applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by them in the Offer;

- that they shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least three days prior to filing of the Red Herring Prospectus with the RoC;

- that they shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer are available for transfer in the Offer, free and clear of any encumbrance, within the timelines specified under applicable law;

- that they shall not further transfer Equity Shares offered by them in the Offer, except in the Offer during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted / to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by them in the Offer;

- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- they shall provide such reasonable support, information and documentation and extend such reasonable cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Offer; and
- they shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

Undertakings by the Promoter Selling Shareholders

The statements and undertakings provided below, in relation to the Promoter Selling Shareholders, are statements which are specifically confirmed or undertaken by the Promoter Selling Shareholders. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Promoter Selling Shareholders, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholders. The Promoter Selling Shareholders severally and not jointly undertake that:

- the Equity Shares being sold by them pursuant to the Offer have been held by them for a period of at least one year prior to the date of filing this Draft Red Herring Prospectus with SEBI, or have been issued or received in accordance with Regulation 26(6) of the SEBI ICDR Regulations, and are fully paid-up and in dematerialised form;
- they are the legal and beneficial owner of, and have full title to the Equity Shares being sold by them in the Offer;
- the Equity Shares being sold by them pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances, and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;
- they shall provide appropriate instructions, and all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by them pursuant to the Offer;
- they shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by them in the Offer;
- that they shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least three days prior to filing of the Red Herring Prospectus with the RoC;
- that they shall take all such steps as may be required to ensure that the Equity Shares being sold by them pursuant to the Offer are available for transfer in the Offer, free and clear of any encumbrance, within the timelines specified under applicable law;
- that they shall not further transfer Equity Shares except in the Offer during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted / to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by them in the Offer;
- all monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- they shall provide such reasonable support, information and documentation and extend such reasonable cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by them and being offered pursuant to the Offer; and
- they shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- the utlisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders / Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders / Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus / Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders / Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders / Applicants should note that investment in equity and equity related securities involves risk and Bidder / Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and / or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**") / Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders / Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form / Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and / or overlap between the disclosure included in this document and the RHP / Prospectus, the disclosures in the RHP / Prospectus shall prevail. The RHP / Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders / Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs / FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia*, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia*, required to comply with the eligibility requirements in terms of Regulation 26 / Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders / Applicants may refer to the RHP / Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid / Offer Opening Date, in case of an IPO and at least one Working Day before the Bid / Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders / Applicants should refer to the RHP / Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders / Applicants) and not more than ten Working Days. Bidders / Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP / Prospectus for details of the Bid / Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid / Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid / Issue Period may be extended by at least three Working Days, subject to the total Bid / Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders / Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

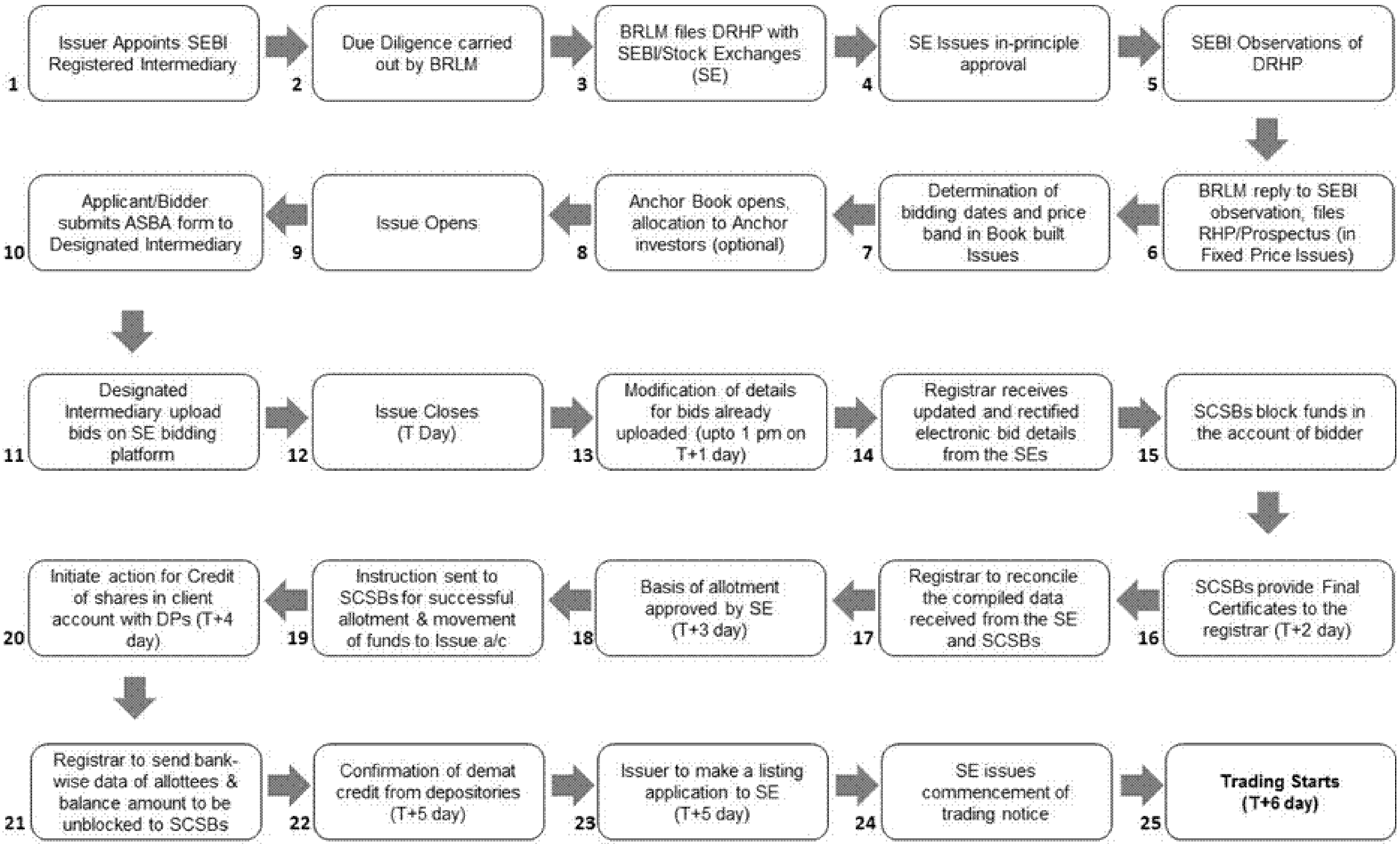
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7 : Determination of Offer Date and Price

    ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder / Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders / Applicants, such as NRIs, FIIs and FPIs may not be allowed to Bid / Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

Subject to the above, an illustrative list of Bidders / Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids / Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder / Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or first Bidder / Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids / Applications by HUFs may be considered at par with Bids / Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts / societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts / societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid / Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid / Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP / Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders / Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders / Applicants is as follows:

Category	Colour of the Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
NRIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis^	Blue
Anchor Investors (where applicable)** & Bidders / Applicants Bidding / applying in the reserved category	As specified by the Issuer

** Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

^ Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders / Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders / Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form / Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No..............

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

*HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE '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 : ....

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words) ____________

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No. ____________

Bank & Branch ____________

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders / Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders / Applicants should note that the name and address fields are compulsory and e-mail and / or telephone number / mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form / Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids / Applications**: In the case of Joint Bids/Applications, the Bids / Applications should be made in the name of the Bidder / Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder / Applicant would be required in the Bid cum Application Form / Application Form and such first Bidder / Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder / Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders / Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder / Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole / first Bidder / Applicant) provided in the Bid cum Application Form / Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids / Applications on behalf of the Central or State Government, Bids / Applications by officials appointed by the courts and Bids/Applications by Bidders / Applicants residing in Sikkim ("PAN Exempted Bidders / Applicants"). Consequently, all Bidders / Applicants, other than the PAN Exempted Bidders / Applicants, are required to disclose their PAN in the Bid cum Application Form / Application Form, irrespective of the Bid / Application Amount. Bids / Applications by the Bidders / Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders / Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids / Applications by Bidders / Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the Circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS / APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders / Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form / Application Form. The DP ID and Client ID provided in the Bid cum Application Form / Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders / Applicants should ensure that the beneficiary account provided in the Bid cum Application Form / Application Form is active.

(c) Bidders / Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form / Application Form, the Bidder / Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder / Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders / Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders / Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus / RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid / Offer Opening Date in case of an IPO, and at least one Working Day before Bid / Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP / Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000. Bids by Employees must be for such number of shares to as to ensure that the Bid Amount less Discount (if applicable), payable by the Bidder does not exceed ₹500,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) In case of a Bid by an Eligible Employee Bidding under the Employee Reservation Portion which exceeds ₹200,000, but does not exceed ₹500,000, may not be considered for allocation under the Non-Institutional Category. However, in case the Bid Amount exceeds ₹500,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price.

(d) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP / Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) RII may revise their bids or withdraw their bids until the Bid / Offer Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.

(g) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid / Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(i) A Bid cannot be submitted for more than the Offer size.

(j) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(k) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP / Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders / Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders / Applicants may refer to the RHP / Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder / Applicant may refer to the RHP / Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder / Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders / Applicants, such as NRIs and FPIs may not be allowed to Bid / Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

(c) Bidders / Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders / Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP / Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility, clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid / Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP / Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder / Applicant is required to sign the Bid cum Application Form / Application Form. Bidders / Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder / Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation / undertaking box in the Bid cum Application Form / Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form / Application Form.

(d) Bidders / Applicants must note that Bid cum Application Form / Application Form without signature of Bidder / Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder / Applicant, Bid cum Application Form number, Bidders' / Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.
For further details, Bidder / Applicant may refer to the RHP / Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

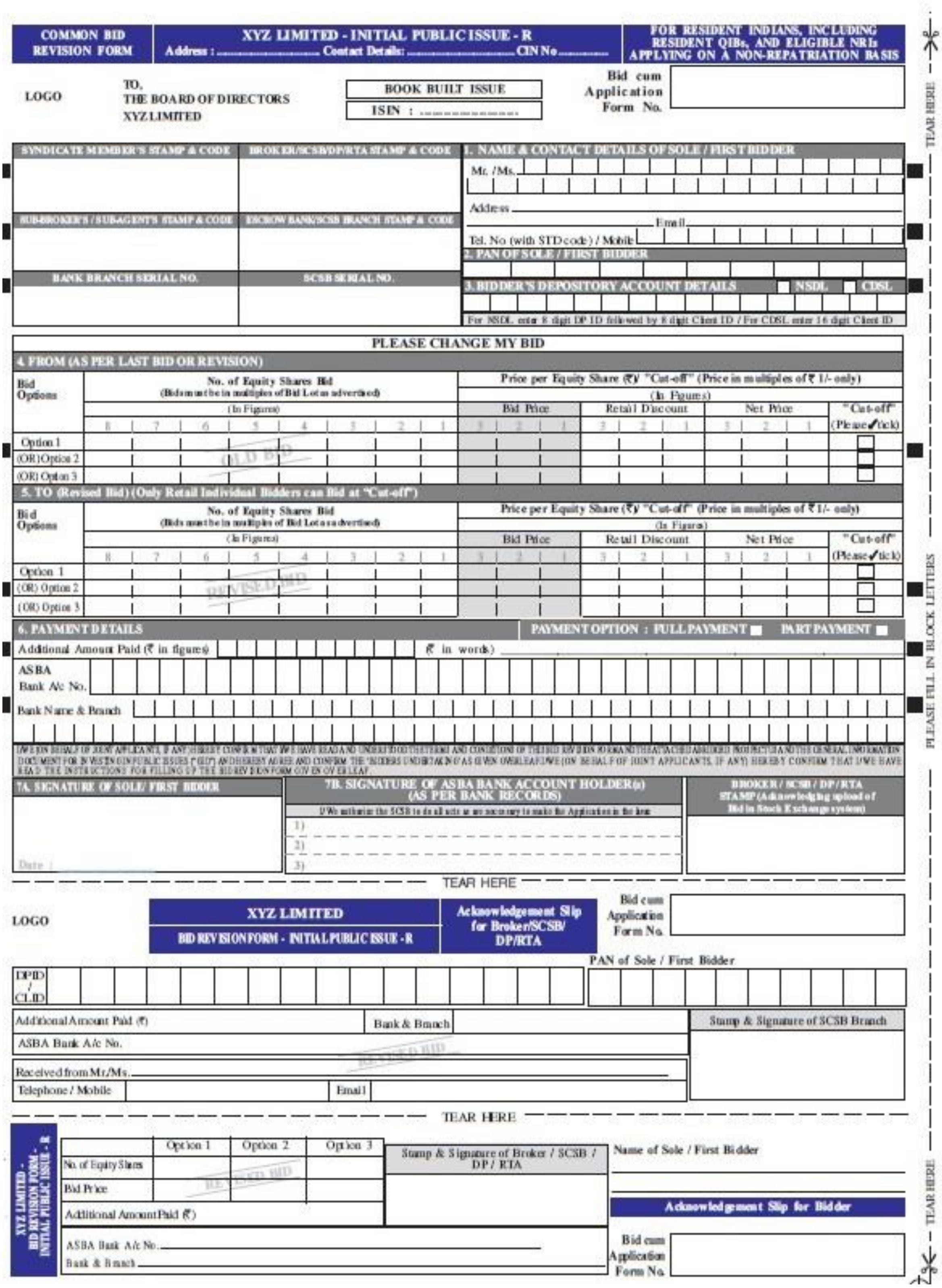
(a) During the Bid / Offer Period, any Bidder / Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid / Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder / Applicant can make this revision any number of times during the Bid / Offer Period. However, for any revision(s) in the Bid, the Bidders / Applicants will have to use the services of the same Designated Intermediary through which such Bidder / Applicant had placed the original Bid. Bidders / Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No..........

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

REVISED BID

6. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT / PART PAYMENT

Additional Amount Paid (₹ in figures) | (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER / APPLICANTS, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT**

Bidders / Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder / Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder / Applicant has Bid for three options in the Bid cum Application Form and such Bidder / Applicant is changing only one of the options in the Revision Form, the Bidder / Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders / Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders / Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000 and Employees should ensure that the Bid Amount, subsequent to revision, does not exceed ₹500,000. In case the Bid Amount exceeds ₹200,000 (in the case of RIBs and Retail Individual Shareholders) or ₹500,000 (in the case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Employees Bidding in the Employee Reservation Portion who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders / Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders / Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder / Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder / Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / Prospectus. If, however, the Bidder / Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder / Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders / Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER/APPLICANT, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000 on a net basis.

(e) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(f) An application cannot be submitted for more than the Offer size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(i) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

   i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

   ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(j) The following applications may not be treated as multiple Bids:

   i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

   ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

   iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation, applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM / APPLICATION FORM/REVISION FORM

4.4.1 **Bidders / Applicants may submit completed Bid cum application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Manager at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders / Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder / Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder / Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid / Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid / Offer Period, Bidders / Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders / Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders / Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders / Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation / Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders / Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid / Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid / Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid / Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms / Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders / Applicants are advised to note that the Bids / Applications are liable to be rejected, which have been detailed at various places in this GID:-

(a) Bid / Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid / Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids / Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids / Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids / Applications by any person outside India, if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form / Application Forms except for Bids / Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids / Applications at a price less than the Floor Price & Bids / Applications at a price more than the Cap Price;

(k) Bids / Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form / Application Forms do not tally with the amount payable for the value of the Equity Shares Bid / Applied for;

(m) Bids / Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Bids / Applications for shares more than the prescribed limit by each Stock Exchange for each category;

(o) Submission of more than five ASBA Forms / Application Forms per ASBA Account;

(p) Bids / Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(q) Multiple Bids / Applications as defined in this GID and the RHP / Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) Inadequate funds in the bank account to block the Bid / Application Amount specified in the ASBA Form / Application Form at the time of blocking such Bid / Application Amount in the bank account;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids / Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids / Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(w) Bids / Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids / Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form / Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders / Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder / Applicant may refer to the RHP / Prospectus.

(b) Undersubscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such undersubscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders / Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

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

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

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

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

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid / Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and / or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer, therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid / Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders / Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to RHP / Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any, will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance, allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

   i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

   ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

      - a maximum number of two Anchor Investors for allocation up to ₹100 million;
      - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
      - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN, within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of

Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders / Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders / Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders / Applicants Depository Account will be completed within six Working Days of the Bid / Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit of Equity Shares to the beneficiary account with Depositories, within six Working Days of the Bid / Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in / list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP / Prospectus. The Designated Stock Exchange may be as disclosed in the RHP / Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders / Applicants.

If such money is not refunded to the Bidders / Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP / Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid / Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of undersubscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may, on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, nor the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders / Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder / Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP / Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner / instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid / Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid / Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment / Allot / Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders / Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders / Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder / Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form / ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders / Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders / Applicants except Anchor Investors
Banker(s) to the Offer / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders / Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid / Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid / Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid / Offer Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders / Applicants may refer to the RHP/Prospectus for the Bid / Offer Opening Date
Bid / Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders / Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid / Offer Period for QIBs one working day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP / Prospectus for the Bid/Offer Period
Bidder / Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP / Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder / Applicants should be construed to mean an Applicant

Term	Description
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders / Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP / Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders / Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders / Applicants including the Bidder / Applicant’s address, name of the Applicant’s father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders / Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP / Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders / Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details, Bidder / Applicant may refer to the RHP / Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT / RTGS / direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer

Term	Description
FCNR Account	Foreign Currency Non-Resident Account
First Bidder / Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer / Company	The Issuer proposing the initial public offering / further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP / Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP / Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Investors or NIIs	All Bidders / Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP / Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP / Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid / Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information

Term	Description
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid / Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer / RTO	The Registrar to the Offer as disclosed in the RHP / Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application / Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders / Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders / RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and / or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP / Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP / Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017 has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated FDI Policy Circular of 2017 ("**FDI Circular 2017**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular.

As per current foreign investment policies, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with guidelines prescribed by SEBI / RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been, and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

CONSTITUTION OF THE COMPANY

(a) *The Regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not inconsistent with these Articles.*

(b) *The Regulations for the management of the Company and for the observance of the members thereof, and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications, and variations thereto by Special Resolution as prescribed by the Companies Act, 2013. Notwithstanding anything contained herein, in the event of any conflict between the provisions of Part A and Part B of these Articles, the provisions of Parts B of these Articles shall prevail. Upon the commencement of the listing and trading of the equity shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, Part B shall automatically stand deleted, not have any force, and be deemed to be removed from the Articles of Association, and the provisions of Part A shall automatically come in effect and be in force, without the requirement of any further corporate or other action by the Board of Directors or by the Shareholders.*

PART A

1. **DEFINITIONS**

In the interpretation of these Articles, the following words and expressions shall have the following meaning unless repugnant to the subject or context.

"**Act**" and any reference to any Section or provision thereof respectively means and includes the Companies Act, 2013, including any statutory amendments thereto, and the Rules made thereunder, and notified from time to time;

"**ADRs**" mean American Depository Receipts representing ADSs;

"**Annual General Meeting**" means an annual general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act;

"**ADSs**" mean American Depository shares, each of which represents a certain number of Equity Shares;

"**Articles**" mean these articles of association as adopted, or as from time to time by the Company, and altered in accordance with the provisions of these Articles and the Act;

"**Auditors**" mean and include those Persons appointed as such for the time being by the Company;

"**Board**" or "**Board of Directors**" means the board of directors of the Company, as constituted from time to time, in accordance with Law, and the provisions of these Articles;

"**Board Meeting**" means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles;

"**Beneficial Owner**" means a beneficial owner as defined in Section 2(1)(a) of the Depositories Act;

"**Business Day**" means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Bangalore, Karnataka, India, Mumbai, Maharashtra, India, and Mauritius, and, in the context of a payment being made to, or from a scheduled commercial bank in a place other than India, in such other place;

"**Capital**" **or** "**Share Capital**" means the share capital for the time being, raised or authorised to be raised, for the purposes of the Company;

"**Chairman**" means such Person as is nominated or appointed in accordance with Article 30 herein below;

"**Chief Executive Officer**" or "**CEO**" means an officer of the Company, who has been designated as such by it;

"**Chief Financial Officer**" or "**CFO**" means an officer of the Company, who has been designated as such by it;

"**Companies Act, 1956**" means the Companies Act, 1956 (Act I of 1956), as may be in force for the time being;

"**Chief Operating Officer**" or "**COO**" means the chief operating officer of the Company providing timely operational information and assistance to the CEO, or any Person of whatsoever designation performing the functions of a chief operating officer;

"**Company**" **or** "**this Company**" means **MILLTEC MACHINERY LIMITED;**

"Committees" means committees constituted by the Company, as laid out in Article 62 herein;

"**Debenture**" includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not;

"**Depositories Act**" means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof;

"**Depository**" means a Depository as defined in Section 2(1)(e) of the Depositories Act;

"**Director**" means any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles;

"**Dividend**" includes interim dividends;

"**Employees' Stock Option**" means the option given to the directors (except Independent Directors), officers or employees of a company, or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares at a future date at a pre-determined price;

"**E-voting**" means voting by electronic means as laid out in Article 36 herein;

"**Equity Share Capital**" means the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis;

"**Equity Share**" means fully paid -up equity shares having a par value of INR 10 (Rupees Ten) per equity share, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares;

"**Executor**" or "**Administrator**" means a Person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or Transfer the Equity Share or Equity Shares of the deceased Shareholder, and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963;

"**Extraordinary General Meeting**" means an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the Act;

"**Financial Year**" means any fiscal year of the Company, beginning on April 1 of each calendar year, and ending on March 31 of the following calendar year;

"**Fully Diluted Basis**" means, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into, or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof;

"GDRs" mean the registered Global Depositary Receipts, representing GDSs;

"GDSs" mean the Global Depository shares, each of which represents a certain number of Equity Shares;

"General Meeting" means an Annual General Meeting or Extraordinary General Meeting of holders of Equity Shares and any adjournment thereof;

"**Independent Director**" means an independent director as defined under the Act, and under Regulation 16(1)(b) of the Listing Regulations;

“**India**” means the Republic of India;

“KMP” means key managerial person as defined under the Companies Act, 2013;

“**Law**” means all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of, or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP, or any other generally accepted accounting principles;

“**Lien**” means any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, Lien, hypothecation, assignment, deed of trust, title retention, security interest, or other encumbrance of any kind securing or conferring ay priority of payment in respect of, any obligation of any Person;

“**Listing Regulations**” mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification or re-enactment thereof;

“**Managing Director**” shall have the meaning assigned to it under the Act;

“**MCA**” means the Ministry of Corporate Affairs, Government of India;

“**Members**” mean the duly registered holders in the Register of Shareholders, from time to time, of the Equity Shares of this Company;

“**Memorandum**” means the memorandum of association of the Company, as amended from time to time;

“**Office**” means the Registered Office for the time being of the Company;

“**Ordinary Resolution**” shall have the meaning assigned thereto under Section 114 of the Act;

“**Paid up**” shall include the amount credited as paid up;

“**Person**” means any natural Person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association, or other entity (whether registered or not and whether or not having separate legal personality);

“**Register of Shareholders**” means the Register of Shareholders to be kept pursuant to Section 88 of the Act;

“**Registrar**” means the Registrar of Companies, from time to time having jurisdiction over the Company;

“**Rules**” mean the rules made under the Act and notified from time to time;

“**Seal**” means the common seal(s) for the time being of the Company;

“**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

“**Secretary**” means a company secretary within the meaning of Section 2(1)(c) of the Company Secretaries Act, 1980, and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act, and any other administrative duties;

“**Securities**” mean any Equity Shares or any other securities, Debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares;

“**Shareholder**” means any shareholder of the Company, from time to time;

“**Shareholders’ Meeting**” means any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles;

“**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act;

"**Stock Exchanges**" mean the National Stock Exchange of India Limited, BSE Limited, or such other recognised stock exchange; and

"**Transfer**" means (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion, or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to, or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

2. **CONSTRUCTION**

2.1. In these Articles (unless the context requires otherwise):

(i) References to a Person shall, where the context permits, include such Person's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference, and are not intended as complete or accurate descriptions of the content thereof, and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and sub-Articles of, and to these Articles unless otherwise stated, and references to these Articles include references to the Articles and sub-Articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within, or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences, and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made, or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning, and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation, or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. **EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. **SHARE CAPITAL AND VARIATION OF RIGHTS**

4.1. Subject to the provisions of the Act and these Articles, the shares 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 a General Meeting to give to any Person the option to call for, or be allotted shares of any class. The authorised, issued and paid up capital of the Company may be altered, subject to the provisions of the Act.

4.2. The authorised Share Capital of the Company shall be such amount, and be divided into such shares as may from time to time, be provided in Clause V of Memorandum with the power to reclassify, sub divide, consolidate and increase, and with the power from time to time, to issue any shares of the original capital or any new capital, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

4.3. The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act and Law, from time to time.

4.4. All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

4.5. The Company may issue shares with differential rights (as to voting, dividend or otherwise) attached to them in pursuance of the provisions of the Act and rules made thereunder. The Board of Directors may issue such shares subject to such limits, and upon such terms and conditions, and with such rights and privileges attached thereto, as thought fit and as may be permitted by law.

4.6. If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Section 106 and Section 107 of the Companies Act, 1956, or Section 48 of the Act, as the case may be, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

4.7. To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 (two)Persons holding at least one-third of the issued shares of the class in question.

Creation or issue of further shares ranking pari passu

4.8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Issuance of preference shares

4.9. The Company may issue, from time to time, Redeemable Preference Shares as may be permissible to be issued as per the provisions of the Act and rules made thereunder, and for the time being in force and applicable to the Company.

4.10. Subject to the provisions of the Articles, the Company shall have power to issue Preference Shares and the Board may, subject to the provisions of the Act and Articles, exercise such powers as it thinks fit. Provided that the term "Preference Shares" in this Article has the same meaning as defined in explanation (ii) to section 43 of the Act.

Issuance of warrants

4.11. Subject to the provisions of the Act and the approval of the Company in General Meeting, the Company may issue, with respect to any fully paid Shares, warrants stating that the bearer of the warrants is entitled to the Shares specified therein, and may provide coupons or otherwise, for payment of future dividends on the Shares specified in the warrants and may provide conditions for registering membership.

4.12. Subject to the provisions of the Act and the approval of the Company in General Meeting, the Company may from time to time issue warrants, naked or otherwise, or issue coupons or other instruments and any combination of Equity Shares, Debentures, Preference Shares or any other instruments to such class of persons as the Board may deem fit with a right attached to the holders of such warrants or coupons or other instruments to subscribe to the Equity shares or other instruments within such time and at such price as the Board may decide as per the rules applicable from time to time.

5. **COMMISSION**

5.1. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

5.2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-Section (6) of Section 40 of the Act.

5.3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. **ADRS / GDRS**

The Company shall, subject to applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms, and in such manner as the Board deems fit, including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

7. **ALTERATION OF SHARE CAPITAL**

7.1. The Company may from time to time in General Meetings, and subject to the provisions of these Articles and Section 61 of the Act, alter the conditions of its Memorandum as follows. In achieving this, it may:

(i) increase its Share Capital by such amount as it thinks expedient;

(ii) consolidate and divide all, or any of its Share Capital into shares of larger amount than its existing shares;

(iii) sub-divide its existing shares into shares of smaller amount that is fixed by the Memorandum. However, in the event the Company carries out a subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived; and

(iv) cancel any shares, which at the date of the passing of the resolution have not been taken, or agreed to be taken by the Person and diminish the amount of its Share Capital by the amount of the shares so cancelled.

7.2. Subject to the provisions of Sections 66 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

7.3. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

8. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law.

9. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Section 68, Section 69 and Section 70 of the Act and subject to compliance with applicable Law.

10. SHARE CERTIFICATES

10.1. The Company shall issue, reissue and issue duplicate share certificates in accordance with the provisions of the Act and in a form and manner as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

10.2. Every Person whose name is entered as a member in the register of members of the Company shall be entitled to receive within 2 (two) months after incorporation, in case of subscribers to the Memorandum, or after allotment, or within 1 (one) month after the application for the registration of Transfer or transmission, or within such other period as the conditions of issue shall be provided:

(i) 1 (one) certificate for all his shares without payment of any charges; or

(ii) several certificates, each for 1 (one) or more of his shares, upon payment of ₹20 (Indian Rupees Twenty) for each certificate after the first.

Every certificate shall be under the Seal, and shall specify the shares to which it relates to and the amount paid-up thereon.

In respect of any Equity Shares or other shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for the Equity Shares or other shares (as the case may be)to 1 (one) of several joint holders shall be sufficient delivery to all such holders.

10.3. The Company shall permit the Shareholders for sub-division / consolidation of share certificates.

10.4. If any share certificate be worn out, defaced, mutilated or torn, or if there be no further space on the back for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof. If any certificate is lost or destroyed, then, upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 (Indian Rupees Twenty).

10.5. Except as required under Law, no Person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided), any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

10.6. The provisions of Articles 1010.1 and 1010.2 shall mutatis mutandis apply to debentures of the Company.

11. SHARES AT THE DISPOSAL OF THE DIRECTORS

11.1. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same, or any of them to Persons in such proportion, and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

11.2. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.

11.3. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

11.4. In accordance with Section 46 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive 1(one) or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or Persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other Person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other Person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a Person other than a Managing Director(s) or an executive Director(s). Particulars of every share certificate issued shall be entered in the Register of Shareholders against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding INR 2 (Rupees Two).

(ii) Every Shareholder shall be entitled, without payment, to 1(one) or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for 1 (one) or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of Transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 10 above and in respect of a Share or shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate and delivery of a share certificate to the first named joint holders shall be sufficient delivery to all such holders.

(iii) The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision, or an order of a competent court of Law or at a request from a Shareholder or to convert holding of odd lot into transferable / marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

12. UNDERWRITING AND BROKERAGE

12.1. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

12.2. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

13. CALLS ON SHARES

13.1. Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares (whether on account of the nominal value of the shares, or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the Person and at the time and place appointed by the Board of Directors. Each member shall, subject to receiving 14 days' notice, pay to the company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

13.2. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

13.3. Not less than 30 (thirty) days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

13.4. If by the terms of issue of any Share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the nominal value of the Share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or instalments accordingly.

13.5. If the sum called in respect of a Share is not paid on or before the day appointed for payment thereof, the holder for the time being of the Share in respect of which the call shall have been made or the instalments shall fall due, shall pay interest for the same at the rate of 10% (ten percent) per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part.

13.6. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a Share, become payable at a fixed time, whether on account of the amount of the Share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

13.7. The Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any part of the monies so advanced, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% (twelve percent) per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced.

13.8. The members shall not be entitled to any voting rights in respect of the monies so paid by them until the same would, but for such payment, become presently payable.

13.9. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any Share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

13.10. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures.

14. **COMPANY’S LIEN**

Fully paid shares will be free from all Liens

14.1. The fully paid shares will be free from all Liens, while in the case of partly paid shares, the Company's Lien, if any, will be restricted to monies called or payable at a fixed time in respect of such shares.

First and paramount Lien

14.2. The Company shall have a first and paramount Lien—

(i) on every Share (not being a fully paid-up Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and

(ii) on all shares (not being fully paid shares) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

14.3. The Company's Lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

Powers of the Company to sell the shares under Lien

14.4. The Company may sell, in such manner as the Board of Directors thinks fit, any shares on which the Company has a Lien:

Provided that no sale shall be made—

(i) unless a sum in respect of which the Lien exists is presently payable; or

(ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

14.5. To give effect to any such sale, the Board of Directors may authorise some Person to Transfer the shares sold to the purchaser thereof.

(i) The purchaser shall be registered as the holder of the shares comprised in any such Transfer.

(ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14.6. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.

14.7. The residue, if any, shall, subject to a 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.

15. **FORFEITURE OF SHARES**

15.1. If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any Share liable to forfeiture and so far as the Law permits of any other Share.

15.2. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Shareholders of the Company as a holder, or 1(one) of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors were present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

15.3. The notice shall name a further day (not earlier than the expiration of 14 (fourteen) days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

15.4. If the requirements of any such notice as aforementioned are not complied with, any Share in respect of which the notice has been given, may at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

15.5. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

15.6. A forfeited or surrendered Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

15.7. A Person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all monies, which at the date of forfeiture is payable by him to the Company in respect of the Share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such monies due in respect of the shares.

15.8. The forfeiture of a Share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.

15.9. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share; (ii) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a Transfer of the Share in favour of the Person to whom the Share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the Share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

15.10. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a Share, becomes payable at a fixed time, whether, on account of the amount of the Share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

15.11. Upon any sale after forfeiture or for enforcing a Lien in purported exercise of the powers herein before given, the Directors may cause the purchaser‘s name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

16. **FURTHER ISSUE OF SHARE CAPITAL**

16.1. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article1616.1(i)a above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the Shareholders and the Company;

(ii) to employees under a scheme of Employees' Stock Option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in Articles1616.1(i)a or Article1616.1b above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

16.2. The notice referred to in Article1616.1(i)a shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

16.3. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

16.4. The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 1956.

17. **TRANSFER AND TRANSMISSION OF SHARES**

17.1. The Company shall maintain a "Register of Transfers" and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.

17.2. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of Transfer of shares held in physical form shall be in writing. In case of Transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

17.3. An application for the registration of a Transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

17.4. Where the application is made by the transferor and relates to partly paid shares, the Transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the Transfer within 2 (two) weeks from the receipt of the notice.

17.5. Every such instrument of Transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Shareholders in respect thereof.

17.6. The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the Transfer books, the Register of Shareholders and / or Register of Debenture-holders or any other security holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

17.7. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of Transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a Transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more Persons in respect of the Transfer shall be enforceable as a contract.

17.8. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary Transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a Lien.

17.9. Subject to the provisions of these Articles, any Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for Transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting / Transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse Transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

17.10. (i) On the death of a Shareholder, the survivor or survivors, where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognised by the Company as having any title to his interest in the shares. (ii) Nothing in sub-Article (i) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

17.11. The executors or administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being 1 (one) of 2 (two) or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

17.12. The Board shall not knowingly issue or register a Transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

17.13. Subject to the provisions of Articles, any Person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such Transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

17.14. If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the Person aforesaid shall elect to Transfer the share, he shall testify his election by executing a Transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to Transfer and the registration of transfers of shares shall be applicable to any such notice or Transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or Transfer were a Transfer signed by that Shareholder.

17.15. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

17.16. Every instrument of Transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may require to show the title of the transferor, his right to Transfer the shares. Every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.

(i) Where any instrument of Transfer of shares has been received by the Company for registration and the Transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall Transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and / or bonus shares in relation to such shares.

(ii) In case of Transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

17.17. Before the registration of a Transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of Transfer in accordance with the provisions of Section 56 of the Act.

17.18. No fee shall be payable to the Company, in respect of the registration of Transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and / or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine Transfer receipts into denomination corresponding to the market unit of trading.

17.19. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Shareholders), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such Transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

17.20. The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the Transfer or transmission by operation of Law to other Securities of the Company.

18. **CAPITALISATION OF PROFITS**

18.1. The Company, in a General Meeting, may subject to the provisions of the Act, resolve that any profits or surplus moneys arising from the realization, and when permitted by law any appreciation in value of the capital assets of the Company, be utilized wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or of any other Company or by paying up any amount for the time being unpaid on any shares of the Company or in any one or more of such ways. The Board of Directors shall give effect to such direction, and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the persons entitled thereto as may deem expedient to the Board of Directors. Where required, the Board of Directors shall comply with Section 39 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled.

19. **DEMATERIALIZATION OF SECURITIES**

19.1. De-materialization: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

19.2. Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

19.3. Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

19.4. Options for investors

Subject to the provision of Section 29 of the Act, every Person subscribing to securities offered by the Company shall have the option to receive security certificates, hold, or deal in the securities with a depository. Such a Person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

19.5. Securities in depositories to be in fungible form

All securities held by a depository shall be in electronic form and the certificates in respect thereof shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

19.6. Rights of depositories and beneficial owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting Transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

19.7. Every Person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

19.8. Service of documents - Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

19.9. Transfer of securities - Nothing contained in Section 56 of the Act or these Articles shall apply to Transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

19.10. Allotment of securities dealt with in a depository - Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

19.11. Distinctive numbers of securities held in a depository - Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

19.12. Register and Index of Beneficial owners - The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles with details of shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.

19.13. Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository.

19.14. Save as herein otherwise provided, the Company shall be entitled to treat the Person whose name appears on the register of members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any *benami* trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person, whether or not it shall have express or implied notice thereof.

20. **NOMINATION BY SECURITIES HOLDERS**

20.1. Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

20.2. Where the Securities of the Company are held by more than 1 (one) Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

20.3. The Company shall not be bound to register more than three persons as the holders of any share. The joint holders of any share shall be liable severally as well as jointly for and in respect of all instalments, calls and other payments which ought to be made in respect of partly paid-up shares.

20.4. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

20.5. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

20.6. The transmission of Securities of the Company by the holders of such Securities and Transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

21. **NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

22. **COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

23. **BORROWING POWERS**

23.1. Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to Transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.

23.2. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other Person permitted by applicable law, if any, within the limits prescribed.

23.3. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

23.4. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

24. **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

24.1. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

24.2. The holders of stock may Transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

24.3. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

24.4. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

25. **ANNUAL GENERAL MEETING**

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of 1 (one) Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

26. **VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

26.1. Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

26.2. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in Person or by proxy and pursuant to Section 146 of the Act, the Auditor of the Company is mandated, unless otherwise exempted by the Company, to attend either by himself or his authorised representative, who shall also be a qualified auditor, any General Meeting of the Company and shall have the right to be heard at such General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

27. **NOTICE OF GENERAL MEETINGS**

27.1. <u>Number of days' notice of General Meeting to be given</u>: Pursuant to Section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty-eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(i) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(ii) Auditor or Auditors of the Company, and

(iii) all Directors.

27.2. <u>Notice of meeting to specify place, etc., and to contain statement of business</u>: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

27.3. <u>Contents and manner of service of notice and Persons on whom it is to be served</u>: Every notice may be served by the Company on any Shareholder thereof either Personally or electronically or by sending it by post to their / its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder

27.4. Special business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

27.5. Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

27.6. Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

27.7. Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

27.8. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

28. REQUISITION OF EXTRAORDINARY GENERAL MEETING

28.1. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

28.2. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any 2(two) members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

28.3. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by 1(one) or more requisitionists.

28.4. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within 3 (three) months from the date of the delivery of the requisition as aforesaid.

28.5. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

28.6. The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

28.7. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

28.8. The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

29. **NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

30. **CHAIRMAN OF THE GENERAL MEETING**

The chairman of the Board shall be entitled to take the chair at every General Meeting ("**Chairman**"), whether Annual or Extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect 1(one) of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect 1 (one) of their number to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

31. **CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

32. **QUESTIONS AT GENERAL MEETING HOW DECIDED**

32.1. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, or voting is carried out electronically, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

32.2. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

32.3. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than 48(forty-eight) hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

32.4. Where a poll is to be taken, the Chairman of the meeting shall appoint 2(two)scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

32.5. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

32.6. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

32.7. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

32.8. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

33. PASSING RESOLUTIONS BY POSTAL BALLOT

33.1. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

33.2. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

34. VOTES OF MEMBERS

34.1. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(i) on a show of hands, every member present in Person shall have 1(one) vote; and

(ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity Share Capital of the Company.

34.2. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.

34.3. In the case of joint holders, the vote of the senior who tenders a vote, whether in Person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

34.4. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

34.5. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

34.6. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

34.7. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.

35. **PROXY**

35.1. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the Office 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.

35.2. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

35.3. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or Transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

36. **E-VOTING**

The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

36.1. Company will follow the following procedure namely:

36.2. The notices of the meeting shall be sent to all the members, auditors of the Company, or Directors either

(i) by registered post or speed post; or

(ii) through electronic means like registered e-mail id; or

(iii) through courier service.

(iv) the notice shall also be placed on the website of the Company, if any and of the agency forthwith after it is sent to the members.

36.3. The notice of the meeting shall clearly mention that:

(i) the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means;

(ii) the facility of voting, either through electronic voting system of ballot or polling paper shall also be made available at the meeting and that the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;

(iii) that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

36.4. The notice shall clearly indicate the process and manner for voting by electronic means and indicate the time schedule including the time period during which the votes may be cast by remote e-voting and shall also provide the login ID and specify the process and manner for generating or receiving password and casting of vote in a secure manner.

36.5. The Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting but at least 21(twenty one) days before the date of the general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the Office is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, *inter alia*, the following matters, namely:

(i) statement that the business may be transacted through voting by electronic means;

(ii) the date and time of commencement of remote e-voting;

(iii) the date and time of end of remote e-voting;

(iv) a cut-off date;

(v) the manner in which Persons who have acquired shares and become members of the Company after the dispatch of notice may obtain login ID and password;

(vi) the statement that:

(a) remote e-voting shall not be allowed beyond the said date and time;

(b) the manner in which the Company shall provide for voting by members present at the meeting;

(c) a member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and

(d) a Person whose name is recorded in the register of members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

(vii) website address of the Company and of the agency where notice of the meeting is displayed; and

(viii) name, designation, address, e-mail id and phone number of the Persons responsible to address the grievances connected with facility for voting by electronic means.

36.6. The facility for remote e-voting shall remain open for not less than 3 (three) days and shall close at 5:00 PM on the date preceding the date of the general meeting.

36.7. During the period when facility for remote e-voting is provided, the Shareholders of the Company, holding shares in either the physical form or the dematerialised form, as on the cut-off date, may opt for remote e-voting.

Provided that once the vote on a resolution is cast by a Shareholder, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a shareholder may participate in a general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

36.8. At the end of the remote e-voting period, the facility shall forthwith be blocked.

Provided that the Company opts to provide the same electronic voting system as used during remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the Shareholders attending the meeting and who have not exercised their right to vote through remote e-voting.

36.9. The Board shall appoint 1 (one) scrutinizer, who may be Chartered Accountant in practice or Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the Company and is a Person of repute who, in the opinion of the Board can scrutinize the remote e-voting process in a fair and transparent manner. The scrutinizer is required to be willing, to be appointed and should also be available for the purpose of ascertaining the requisite majority.

36.10. The Chairman shall at the general meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, as provided in this Article 36, with the assistance of the scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.

36.11. The scrutinizer shall, immediately after the conclusion of remote e-voting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2(two) witnesses not in the employment of the Company and make, not later than 3(three) days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the Chairman or a Person authorised by the Chairman in writing who shall countersign the same.

36.12. The scrutinizers shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or Client ID of the Shareholders, numbers of shares held by them, nominal value of such shares and whether the shares have differential voting rights.

36.13. The register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizers until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.

36.14. The result declared along with the report of the scrutiniser shall be placed on the website of the Company and on the website of the agency immediately after the result is declared by the Chairman.

36.15. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

37. **BOARD OF DIRECTORS**

37.1. Until otherwise determined by Special Resolution of the number of Directors of the Company shall not be less than 3 (three) or more than 15 (fifteen).

37.2. The Company in General Meeting may from time to time increase or reduce the number of Directors within the limits fixed by Article 51.

37.3. The following Persons shall be the First Directors of the Company.

(i) Mr V Ramanaiah;

(ii) Mr VGN Prakash;

(iii) Mr Rajendran Joghee; and

(iv) Mr Ravindranath Ramaiah.

37.4. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.

38. **ADDITIONAL DIRECTORS**

Subject to provisions of Article 51, the Board may appoint any Person other than a Person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

39. **ALTERNATE DIRECTORS**

The Board may, appoint a Person, not being a Person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India.

40. **INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Regulation 17 of the Listing Regulations.

41. **NOMINEE DIRECTORS**

41.1. Whenever the Board enter into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company, 1(one) or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement / facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

41.2. The nominee Director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee Director is an officer of any of the lenders, the sittings fees in relation to such nominee Director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

41.3. Any expenditure that may be incurred by the lenders or the nominee Director in connection with the appointment or Directorship shall be borne by the Company.

41.4. The nominee Director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

41.5. The nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

41.6. If at any time, the nominee Director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

42. **CASUAL VACANCY**

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, the resulting casual vacancy may, in default of and subject to any regulations in the Articles, be filled by the Board at a meeting of the Board.

43. **WOMAN DIRECTOR**

The Company shall have such number of Woman Director (s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

44. **REMUNERATION OF DIRECTORS**

44.1. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Regulations, a Managing Director or Managing Directors, and any other Director / s who is / are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by 1 (one) way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

44.2. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.

44.3. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive

Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

44.4. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

44.5. All fees / compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of Employees' Stock Options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any Employees' Stock Options.

45. **POWERS OF THE BOARD TO KEEP A FOREIGN REGISTER**

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

46. **SIGNING OF CHEQUES, HUNDIES, ETC.**

46.1. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board of Directors shall from time to time by resolution determine.

46.2. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

47. **CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 51 hereof, the continuing Directors not being less than 3 (three) may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

48. **VACATION OF OFFICE BY DIRECTOR**

48.1. Subject to relevant provisions of Sections 167 of the Act, the office of a Director, shall ipso facto be vacated if:

(i) he incurs any of the disqualifications specified under Section 164 of the Act; or

(ii) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6(six) months and that the office shall be vacated by the director even if he has filed an appeal against the order of such court; or

(iii) he absents himself from all the meetings of the Board of Directors held during a period of 12 (twelve) months with or without seeking leave of absence of the Board; or

(iv) he, having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(v) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or

(vi) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; or

(vii) he becomes disqualified by an order of the court; or

(viii) he is removed pursuant to the provisions of the Act.

48.2. Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar in such manner, within such time and in such form as may be prescribed and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the Company.

49. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not 3 (three) or a multiple of 3 (three) then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

50. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

50.1. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

50.2. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

51. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 49 and Section 149 and 152 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The Person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

52. REGISTER OF DIRECTORS ETC.

52.1. The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

52.2. The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

53. **DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.**

Every Director shall in accordance with the provisions of the Act and Companies (Meeting of Board and its Powers) Rules, 2014 disclose his concern or interest in any Company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

54. **MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director / whole time Director or executive Director or manager of the Company. The Managing Director(s) or the whole time Director(s) manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director / s or the whole time Director(s) or manager or executive Director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director / whole time Director or executive Director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

55. **PROVISIONS TO WHICH MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER ARE SUBJECT**

Notwithstanding anything contained herein, a Managing Director(s) / whole time Director(s) / executive Director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time Director(s) / executive Director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time Director(s) / executive Director(s) / manager he shall ipso facto and immediately cease to be a Director.

56. **REMUNERATION OF MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

The remuneration of the Managing Director(s) / whole time Director(s) / executive Director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and / or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

57. **POWER AND DUTIES OF MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER**

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s) / whole time Director(s) / executive Director(s) / manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s) / whole time Director(s) / executive Director(s) / manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

58. **POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

58.1. The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

(i) to make calls on Shareholders in respect of money unpaid on their shares;

(ii) to authorise buy-back of securities under Section 68 of the Act;

(iii) to issue securities, including debentures, whether in or outside India;

(iv) to borrow money(ies);

(v) to invest the funds of the Company;

(vi) to grant loans or give guarantee or provide security in respect of loans;

(vii) to approve financial statements and the Board's report;

(viii) to diversify the business of the Company;

(ix) to approve amalgamation, merger or reconstruction;

(x) to take over a company or acquire a controlling or substantial stake in another company;

(xi) fees / compensation payable to non-executive Directors including independent Directors of the Company; and

(xii) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

58.2. The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any Person permitted by Law the powers specified in sub-Articles (d) to (f) above.

58.3. The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.

58.4. In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(i) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(ii) to borrow money; and

(iii) any such other matter as may be prescribed under the Act, the Listing Regulations and other applicable provisions of Law.

59. **PROCEEDINGS OF THE BOARD OF DIRECTORS**

59.1. Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between 2 (two) consecutive Board Meetings. Meetings shall be held in Bengaluru, Karnataka, India or such a place as may be decided by the Board.

59.2. The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

59.3. 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.

59.4. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii)If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the directors present may choose 1(one) of their number to be Chairperson of the meeting.

59.5. The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies

(Meetings of Board and its Powers) Rules, 2014.

59.6. The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.

59.7. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by 1 (one) independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

59.8. At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

60. **QUORUM FOR BOARD MEETING**

60.1. Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be at least 3(three)Directors the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

60.2. If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

61. **POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

61.1. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

61.2. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

61.3. The Board of Directors may, at any time and from time to time by power of attorney, 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 and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Such power of attorney maybe made in favour the members, Directors, nominees, or managers of our Company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Directors. Such power of attorney may contain powers for the protection or convenience of persons dealing with such attorneys as the persons granting such attorneys may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all / or any of the powers, authorities and directions for the time being vested in them.

62. **COMMITTEES AND DELEGATION BY THE BOARD**

62.1. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive Director(s) or manager or the Chief Executive Officer of the Company. The Managing Director(s), the executive Director(s) or the manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

62.2. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

62.3. The meetings and proceedings of any such Committee of the Board consisting of 2 (two) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

62.4. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose 1 (one) of their members to be Chairperson of the meeting.

62.5. A committee may meet and adjourn as it thinks fit. 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.

62.6. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any 1(one) or more of such directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such Person had been duly appointed and was qualified to be a director.

62.7. The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

63. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

64. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

65. **OFFICERS**

65.1. The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

65.2. The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

65.3. The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and / or by the Board of the Company.

65.4. Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

65.5. The Board shall appoint with the approval of the Chairman and / or Chief Executive Officer and / or Chief Operating Officer of the Company, as well as Persons who will be appointed to the posts of senior executive management.

66. **CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If the Director or any Person, shall become Personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

67. **THE SECRETARY**

67.1. The Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

67.2. The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

68. **DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive Directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

68.1. on terms approved by the Board;

68.2. which includes each Director as a policyholder;

68.3. is from an internationally recognised insurer approved by the Board.

69. **SEAL**

69.1. The Board shall provide for the safe custody of the seal.

69.2. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or any one of the KMP, or such other Person as the Board may appoint for the purpose; and those 1 (one) director or KMP or other Person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

70. **DIVIDENDS AND RESERVE**

70.1. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

70.2. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.

70.3. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

70.4. (i)Subject to the rights of Persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

70.5. The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

70.6. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that 1(one) of the joint holders who is first named on the register of Shareholders, or to such Person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

70.7. Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

70.8. Notice of any dividend that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

70.9. No dividend shall bear interest against the Company.

71. **RELATED PARTY TRANSACTIONS**

71.1. Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a ‘related party’ with respect to: :

(i) sale, purchase or supply of any goods or materials;

(ii) selling or otherwise disposing of, or buying, property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Director's or its relative's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the Company.

71.2. No Shareholder of the Company shall vote on such Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

71.3. Nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.

71.4. The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

71.5. The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.

71.6. The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

71.7. The term 'related party' shall have the same meaning as ascribed to it under the Act.

71.8. The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

Subject to the Provision of Section 188 of Act, Non-executive Director of the Company will eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

72. **ACCOUNTS**

72.1. The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.

72.2. Where the Board decides to keep all or any of the Books of Accounts at any place other that the office of the Company the Company shall within (seven) days of the decision file with the Register a notice in writing given the full address of that other place.

72.3. The Company shall preserve in good order the Book / s of Account relating or period of not less 8 (eight) years preceding the current year together with the vouchers relevant to any entry in such books of Account.

72.4. 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 and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board.

72.5. The Directors shall from time to time, in accordance with Sections 129,133 and 134 of the Act, cause to be laid before the Company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.

72.6. A Copy of every Balance Sheet and statement of profit and loss (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Act as the Company may deem fit, shall not less than 21(twenty-one) days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every Person entitled thereto pursuant to the provisions of the Section 136 of the Act provided this Article shall not require a copy of the documents to be sent to any Person of whose address the Company is not aware of or to more than 1(one) of the joint holders of any shares.

73. **DOCUMENTS AND NOTICES**

73.1. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either Personally or by sending it by post to him to his registered address.

73.2. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of 48(forty eight) hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

73.3. A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Shareholders in respect of the Share.

73.4. Every Person, who by operation of Law, Transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

73.5. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

73.6. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

73.7. Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

74. **PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

74.1. To the Shareholders of the Company as provided by these Articles.

74.2. To the Persons entitled to a share in consequence of the death or insolvency of a Shareholder.

74.3. To the Directors of the Company as provided by these Articles.

74.4. To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

75. **NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

76. **UNPAID OR UNCLAIMED DIVIDEND**

76.1. If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, Transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend of MILLTEC MACHINERY LIMITED".

76.2. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such Transfer, shall be transferred by the Company to the Fund established under sub-Section (1) of Section 125 of the Act, viz. "Unpaid Dividend of MILLTEC MACHINERY LIMITED" and the Company shall send a statement in the prescribed form of the details of such Transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such Transfer.

76.3. All shares in respect of which unpaid or unclaimed dividend have been transferred under sub-section (5) of Section 124 of the Act shall also be transferred by the Company in the name of "Investor Education and Protection Fund" along with a statement containing such details as prescribed under the Act.

76.4. No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

If any shares stands in the name of 2 (two) or more Persons, the Person first named in the register shall, as regards payment of dividend or bonus or service of notice and all or any other matters connected with the Company, except voting at meetings be treated as the holders of the shares but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such shares and for all the other incidence thereof according to the Company's Regulations.

77. **CAPITALIZATION OF PROFITS**

77.1. The Company may in a General Meeting, upon recommendation of the Board, resolve:

(i) That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or; and

(ii) That such sum be accordingly set free for distribution in the manner specified in sub-Article(b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

77.2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-Article(c) either in or towards:

(i) Paying up any amount for the time being unpaid on shares held by such members respectively; or

(ii) Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid; or

(iii) Partly in the way specified in sub-Article(i) and partly in that specified in sub-Article(ii).

77.3. A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

<u>Powers of Directors for declaration of Bonus</u>

77.4. Whenever such a resolution as aforesaid shall have been passed by the Board shall:

(i) make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any; and

(ii) generally do all acts and things required to give effect thereto.

77.5. The Board shall have full power :

(i) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction; and also

(ii) to authorise any Person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.

77.6. Any agreement made under such authority shall be effective and binding on all such members.

78. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

Subject to the provisions of Chapter XX of the Act and rules made thereunder:

78.1. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

78.2. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.\

78.3. 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

79. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

79.1. Subject to the provisions of Section 197 of the Act every Director, manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

79.2. Subject as aforesaid, every Director, Manager, Secretary, or other officer / employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or which may incur by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

80. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS

Subject to the provisions of Section 197 of the Act, no Director, Manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any money(ies), Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

81. **INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

82. **SECRECY**

82.1. No member shall be entitled to visit or inspect the Company‘s works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company‘s trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.

82.2. Every Director, Managing Director, Manager, Secretary, Auditor, trustee, Members of a Committee, Officers, 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, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the Persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

83. **DUTIES OF OFFICERS TO OBSERVE SECRECY**

Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors or by a resolution of the Company in a General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the Government to require or to hold an investigation into the Company’s affairs.

MISCELLANEOUS

Directors, Officers, etc. bound by “Secrecy Clause”:

84. The Managing Director and every Director, Manager, Auditor, Member of a Committee, KMP, Officer, Servant, Accountant or other person employed in the business of the Company, shall pledge himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall always be bound not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by a Court of Law or by the person to whom such matters relate and except in so far as may be necessary in order to comply with any of the provisions in these Articles contained.

Directors and others right to indemnity:

85. Subject to the provisions of the Act, it shall be the duty of the Directors to indemnify, out of the funds of the Company, the Managing Director / Deputy Managing Director / Whole Time Director, every Director and Key Managerial Personnel of the Company, in relation to all costs, losses and expenses (including traveling expenses) which they may incur or become liable to incur by reason of any contract entered into or act or deed done by him as such Managing Director / Deputy Managing Director / Whole Time Director, Director and Key Managerial Personnel in any way in the discharge of his duties. The amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

Directors and other Officers not responsible for acts of others:

86. Subject to the provisions of the Act, no Director, Managing Director, Deputy Managing Director, Key Managerial Personnel or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon 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 whatsoever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

PART B

Notwithstanding anything contained in these Articles of Association and subject to Investor I and Investor II holding Equity Shares, the provisions of Part B, being Article 87 to Article 104 (both inclusive) hereof, shall apply and prevail over the provisions of Part A, being Article 1 to Article 86 (both inclusive) of these Articles to the extent to which the provisions of Part A are inconsistent with or contrary to the provisions of Part B. In case of any inconsistency between the Part B and the Act, the provisions of the Act shall prevail. However, upon the commencement of the listing and trading of the equity shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, Part B shall automatically stand deleted, not have any force, and be deemed to be removed from the Articles of Association, and the provisions of Part A shall automatically come in effect and be in force, without the requirement of any further corporate or other action by the Board of Directors or the Shareholders.

87. DEFINITIONS AND INTERPRETATION

87.1 **Definitions**

The capitalized terms used in these Articles shall have the following meanings:

"**Acceptance Notice**" shall have the meaning assigned to it in Article 91.2(ii);

"**Acceptance Notice Period**" shall have the meaning assigned to it in Article 91.2(ii);

"**Act**" shall mean the Companies Act, 1956;

"**Act of Mismanagement**" shall mean the following acts:

(i) if funds of the Company and / or the Subsidiaries are diverted, provided that such diversion is not: (a) in consonance with the Business Plan; (b) in the Ordinary Course of Business of the Company and / or the Subsidiaries; or (c) above 10% (ten per cent) of the monthly expenses for each sub-head under the Business Plan as on the date of such diversion of the Company or the Subsidiaries;

(ii) if the Directors nominated by the Promoters act in excess of the financial powers granted to them, in terms of the Act or any other applicable Law or under these Articles provided that at the commencement of every financial year, the Board shall decide upon the financial powers granted to individual Directors upon analysing the current business scenario, the Business Plan, and all such relevant financial and business data as may be relevant to arrive at the financial powers to be granted to the Directors. The Board shall also have the right to review the financial powers granted to the individual Directors prior to the expiry of the financial year; and / or

(iii) if the board and / or the shareholders of the Company and / or the Subsidiaries do not take consent of Investor II[1] over an Operational Reserved Matter;

"**Adjourned Board Meeting**" shall have the meaning assigned to it in Article 97.4;

"**Adjourned General Meeting**" shall have the meaning assigned to it in Article 98.4;

"**Affiliate**" shall mean:

(i) with respect to any Person, other than a natural Person any other Person that is Directly or Indirectly, through one or more intermediate Persons, Controlling, Controlled by, or under common Control with such Person;

(ii) with respect to any natural Person:

  (a) any other Person who is a Relative of such Person; or

  (b) any Person that is Directly or Indirectly, through one or more intermediate Persons, Controlled by, or under the common Control of or otherwise affiliated with such Person or the Relative of such Person;

(iii) with respect to each of the Investors, for the limited purposes of these Articles:

  (a) any funds advised and / or managed by such Investor;

  (b) any funds advised and / or managed by any advisor and / or sub-advisor of either of the Investors; and / or

  (c) the other Investor;

"**Arm's Length**" (including its correlative meaning, the term "**Arm's Length Basis**") shall mean on terms consistent with market practice and those actually made in comparable transactions between independent enterprises and / or Third Parties under comparable circumstances, and where such comparable transactions are not available, **Arm's Length Basis** shall mean that the price should be an arm's length price as determined in accordance with the provisions of the Income Tax Act, 1961, and all other terms and conditions should be entered into such that the contracting parties are unrelated and independent parties;

"**Assessor**" shall have the meaning assigned to it in Article 101.1(ii)(a)

"**Assets**" shall mean assets or properties of every kind, nature, character and description (whether immovable, movable, tangible, intangible, absolute, accrued, fixed or otherwise), as operated, hired, rented, owned or leased by a Person from time to time, including cash, cash equivalents, receivables, securities, accounts and note receivables, real estate, plant and machinery, equipment, patents, copyrights, domain names, trademarks, brands and other intellectual property, raw materials, inventory, furniture, fixtures and insurance;

"**Big Four**" shall mean KPMG, PricewaterhouseCoopers, Ernst & Young and Deloitte Touche Tohmatsu or such Indian firm of chartered accountants associated with any of them, and their respective successors;

"**Business**" shall mean the business undertaken by the Company as agreed to in writing between the Members;

"**Business Day**" shall mean a day on which scheduled commercial banks are open for business in Mauritius, Mumbai and Bangalore;

"**Business Plan**" shall mean the business plan prepared by the Company, mutually agreed to in writing by the Investors and the Promoters, and confirmed by the Board on an annual basis;

"**Buy-back Notice**" shall have the meaning assigned to it in Article 94.2(iii);

"**Buy-back Option**" shall have the meaning assigned to it in Article 94.2(ii);

"**Buy-back Outer Date**" shall have the meaning assigned to it in Article 94.2(i);

"**Buy-back Price**" shall have the meaning assigned to it in Article 94.2(v);

"**CDC**" shall mean CDC Group Plc, a development finance institution, owned by the UK Government's Department for International Development;

"**Charter Documents**" shall mean, with respect to a Person, the articles of association and memorandum of association of that Person;

"**Committee**" shall mean any committee of the Board or the Shareholders or of the board of directors or the shareholders of the Subsidiaries (as applicable), appointed in accordance with the Act and / or the Charter Documents;

"**Company Confidential Information**" shall mean any oral or written information (in whatever media or form, whether tangible or otherwise) disclosed to any of the Promoters that is marked or designated as confidential, or any other information of such nature as may be reasonably construed to be confidential, and includes trade secrets, technical information, past, present and future business strategies, business facilities, resources, operations, requirements, methods, Customer information, know-how, designs, inventions, discoveries, improvements, financial information and projections, security arrangements, personnel information, domain names, administrative and / or organizational matters of a confidential / secret nature which is known to any of the Promoters, marketing information or otherwise, including any design and / or software, which is confidential or proprietary to the Company, the Affiliates of the Company, Customers or sub-contractors of the Company, all works, programs, papers, records, data, notes, drawings, files, documents, samples, devices, products, equipment, and other materials, including copies in whatever form and translations into any other language and intellectual property, relating to the Business and materials that are customarily treated as confidential or proprietary, whether or not specifically identified as confidential or proprietary and includes any other information which, by its nature or circumstance surrounding its disclosure, may be reasonably construed to be confidential or proprietary;

"**Competitor**" shall mean such Persons as mutually agreed to in writing between the Members;

"**Conclusive Finding**" shall mean the conclusive finding by any one of the Big Four, as set out in Article 101.1;

"**Conforming of Rights**" shall have the meaning assigned to it in Article 92.10(i);

“**Consent**” shall mean any approval, consent, ratification, waiver, notice or other authorization of or from any Person, including without limitation, banks and financial institutions that may be required for:

(i) the execution of agreements between the Members;

(ii) the consummation of the transactions contemplated under these Articles and / or otherwise agreed to in writing between the Members; and / or

(iii) carrying on the Business in a lawful manner;

“**Contract**” shall mean, with respect to a Person, any agreement, contract, subcontract, lease, understanding, instrument, note, warranty, insurance policy, benefit plan or legally binding commitment or undertaking of any nature, whether written or oral, entered into by such Person;

“**Control**” shall mean the power to direct or exercise significant influence over the management or policies of a Person, Directly or Indirectly, whether through the ownership of shares or other securities, by Contract or otherwise; provided that, in any event, the direct or indirect acquisition or control of more than 50.00% (fifty per cent) of the voting rights or of securities of a Person is deemed to constitute Control of that Person, and “**Controlling**” and

“**Controlled**” have corresponding meanings;

“**Curable Breach**” shall have the meaning assigned to it in Article 101.2;

“**Cure Period**” shall have the meaning assigned to it in Article 101.2;

“**Customers**” shall mean and include:
(a) any and all existing customers, buyers, distributors, vendors, suppliers, agents and licensees of the Company and / or any of the Subsidiaries; and

(b) any customer with which the Company and / or any of the Subsidiaries has been in negotiation or who or which has received a credential or other presentation or a competitive pitch with a view to the provision of the Company’s and / or any of the Subsidiaries products to such account;

“**Debt**” shall mean and include any of the following:
(i) monies borrowed;

(ii) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(iv) the amount of any liability in respect of any lease or hire purchase Contract which would, in accordance with Indian GAAP, be treated as a finance or capital lease;

(v) receivables sold or discounted;

(vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price including any credit support arrangement in respect thereof (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(viii) shares which are expressed to be redeemable;

(ix) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above;

"**Deed of Adherence**" shall mean a deed of adherence in the form and manner agreed to in writing between the Members;

"**Directly or Indirectly**" means (without prejudice to the generality of the expression) whether as principal or agent, whether alone, jointly, in partnership with another or for or through or on behalf of another; whether as a shareholder, director (including a shadow director), agent, principal, partner, consultant or employee; or by virtue of providing financial assistance;

"**Director**" shall mean a director of the Company, in office at the relevant time, appointed in accordance with the Act and / or the Charter Documents of the Company;

"**Drag Along Right**" shall have the meaning assigned to it in Article 94.4(i);

"**Drag Along Transferee**" shall have the meaning assigned to it in Article 94.4(i);

"**Drag Along Notice**" shall have the meaning assigned to it in Article 94.4(ii);

"**Drag Percentage**" shall have the meaning assigned to it in Article 94.4(i);

"**Encumbrance**" (with its correlative term, "**Encumber**") shall mean:

(i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, option, title retention, security interest or other encumbrance of any kind, securing, or conferring any priority of payment in respect of any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable Law, or a Contract to give or refrain from giving any of the foregoing, including any restriction imposed under applicable Law or Contract on the transferability of securities;

(ii) any arrangement for exercising voting rights issued to the Promoters or any Third Party, power of attorney issued to the Promoters or any Third Party for transferring and / or exercising any rights, voting trust agreement, interest, option, right of first offer, refusal or transfer restriction in favour of any Person; and

(iii) any adverse claim as to title, possession or use;

"**Escrow Agent**" shall mean the escrow agent appointed by mutual agreement in writing between the Members;

"**Escrow Shares**" shall have the meaning assigned to it in Article 88.6(i);

"**Event of Default**" shall mean the occurrence of each of the following events:

(i) breach or failure on the part of the Company and / or any of the Subsidiaries and / or the Promoters to observe or comply with any term, representation, warranty, covenant, undertaking or obligation contained under these Articles and any Transaction Document;

(ii) initiation of any Liquidation Event or similar proceedings in respect of the Company and / or any of the Subsidiaries and / or the Promoters, whether voluntary or otherwise;

(iii) appointment of a receiver, liquidator or administrator in respect of the Assets of the Company and / or any of the Subsidiaries and / or the Promoters by a court of competent jurisdiction in any proceeding for insolvency, winding up or bankruptcy or similar proceeding initiated by any Person;

(iv) failure of the Company and / or any of the Subsidiaries and / or the Promoters to obtain the consent of Investor II[6] with regard to the Reserved Matters (in accordance with Article 99); and / or

(v) any Transfer of Securities by the Shareholders (other than the Investors) which is in breach of these Articles;

"**Fair Market Value**" shall mean the fair market value of Shares as determined by any of the Big Four, which shall be appointed by the Board within a period of 10 (Ten) Business Days of the occurrence of the event that requires the determination of the fair market value of the Shares. If the Board has not appointed one of the Big Four within a period of 10 (Ten) Business Days, as aforesaid, then the Investors may, at their sole discretion, appoint one of the Big Four for determining the fair market value of the Shares. The determination shall base its valuation upon generally accepted international standards for valuation, and shall consider such factors as historic performance, book value, goodwill and the future potential of the Company;

6 The words "the investors" was replaced by the words "Investor II" vide shareholders resolution dated 14 October 2014

"**FCPA**" shall mean the US Foreign Corrupt Practices Act, 15 USC §78dd-1, et seq.;

"**Financial Year**" shall mean the period commencing from 1st April of one year and ending on 31st March of the immediately succeeding year;

"**First Reference Date**" shall mean 15 May 2013;

"**Fresh Offering**" shall have the meaning assigned to it in Article 89.2(i);

"**Fresh Offering Issuance Notice**" shall have the meaning assigned to it in Article 89.2(ii);

"**Fresh Offering Issuance Price**" shall have the meaning assigned to it in Article 89.2(ii);

"**Fresh Offering Issuance Securities**" shall have the meaning assigned to it in Article 89.2(ii);

"**Fresh Offering Securities**" shall have the meaning assigned to it in Article 89.2(i);

"**Fully Diluted**" (with the correlative term, "**Fully Diluted Basis**"), with respect to any share, share equivalent or other instrument convertible into shares, shall mean the deemed conversion of such share, share equivalent or other instrument into shares of any Person, in accordance with applicable Laws and the terms of issue of such share, share equivalent or other instrument as of the relevant date of determination of the share capital of such Person;

"**GAAP**" shall mean Generally Accepted Accounting Principles;

"**General Meeting**" shall mean a general meeting of the Shareholders, convened and held in accordance with these Articles and / or the Act;

"**Governmental Approval**" shall mean any permission, approval, consent, license, permit, Order, decree, authorization, registration, filing, notification, exemption or ruling to or from or with any Governmental Authority;

"**Governmental Authority**" shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make Laws, rules, regulations, standards, requirements, procedures or to pass directions or Orders having the force of Law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or Orders of such authority, body or other organization have the force of Law, or any stock exchange of India or any other country;

"**Government Official**" shall have the meaning assigned to it in Article 88.1(vi);

"**Independent Director**" shall mean a non-executive director of the Company who:

(i) apart from receiving Director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its senior management, its Subsidiaries and associates which may affect independence of the Director;

(ii) is not related to Promoters or persons occupying management positions at the Board level or at one level below the Board;

(iii) has not been an executive of the Company or any of the Subsidiaries in the immediately preceding 3 (three) Financial Years;

(iv) is not a partner or an executive or was not partner or an executive during the preceding 3 (three) years, of any of the following: (a) the statutory audit firm or the internal audit firm that is associated with the Company or any of the Subsidiaries, or (b) the legal firm(s) and consulting firm(s) that have a material association with the Company or any of the Subsidiaries;

(v) is not a material supplier, service provider or customer or a lessor or lessee of the Company or any of the Subsidiaries, which may affect the independence of the Director;

(vi) is not a shareholder of the Company; and

(vii) is not less than 21 (twenty one) years of age;

"**Intellectual Property**" and / or "**Intellectual Property Rights**" shall mean all rights, title and interest in the trademarks, trade names, service marks, service names, trade dress, logos and corporate names, both primary and secondary, related to the Business and the trade secrets, know-how and other confidential information relating to the Business, including proposals, financial and accounting data, business and marketing plans, customer and supplier lists, sales targets, sales statistics, market share statistics, marketing surveys and reports, marketing research and any advertising or other promotional material and related information and any databases (electronic or otherwise) containing any of the foregoing, including exclusive rights to use, Transfer and license the same;

"**Investment Code**" shall mean the investment code mutually agreed by the Investors and the Promoters;

"**Investors**" shall mean Multiples India and Multiples Mauritius;

[3]"**Investor I**" shall mean Multiples Private Equity Fund I Limited, a company incorporated under the laws of Mauritius, and having its registered office situated at 1st Floor, 78, Saint Jean Road, Quatre-Bornes, Mauritius;

"**Investor I Purchase Consideration**" shall mean the aggregate consideration of INR 131,91,81,000 (Rupees one thirty one crore ninety one lakh eighty one thousand) paid by Investor I for the purchase of the Investor I Sale Shares;

"**Investor I Sale Shares**" shall mean 11,17,950 (eleven lakh seventeen thousand nine hundred fifty) Shares purchased by Investor I on terms mutually agreed to in writing by the Members;

[4]"**Investor II Directors**" shall mean the Directors nominated by Investor II;

"**Investor II**" shall mean Multiples Private Equity Fund, being a trust created under the Indian Trusts Act, 1882, and having its principal office at 701 / A, Poonam Chambers – B Wing, Plot No G, Shiv Sagar Estate, Dr Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India;

"**Investor II Purchase Consideration**" shall mean the aggregate consideration of INR 45,08,19,000 (Rupees forty five crore eight lakh nineteen thousand) paid by Investor II for the purchase of the Investor II Sale Shares on terms mutually agreed to in writing by the Members;

"**Investor II Sale Shares**" shall mean 3,82,050 (three lakh eighty two thousand fifty) Shares purchased by Investor II on terms mutually agreed to in writing by the Members;

"**Investors Qualified Trade Sale Acceptance Notice**" shall have the meaning assigned to it in Article 93.1;

"**Investor Sale Shares**" shall mean the total of the Investor I Sale Shares and the Investor II Sale Shares;

"**Investors Trade Sale Notice**" shall have the meaning assigned to it in Article 93.1;

"**Investors Trade Sale Acceptance Notice**" shall have the meaning assigned to it in Article 93.2;

"**IPO**" shall mean the initial public offering of the Shares of the Company on a Recognized Stock Exchange, the pricing and terms of which are approved by the Investors, and which satisfies the following conditions:

(i) the IPO results in the listing of the Shares on a Recognized Stock Exchange; and

(ii) the offering complies with all applicable legal, regulatory and listing requirements;

"**IPO Date**" shall have the meaning assigned to it in Article 92.1;

"**IRR**" or "**Internal Rate of Return**" shall mean an internal rate of return of a specified percentage per annum achieved by the Investors on the Total Consideration, till such time that the Total Consideration is returned to the Investors together with an annual return equal to such specified percentage, calculated commencing on the date the Total Consideration is paid by the Investor, to the extent not paid on a current basis, taking into account all previous cash distributions in the Company to the Investors. The Internal Rate of Return shall be determined on the basis of the following:

(i) any sums realized by the Investors upon the Transfer of any Investor Sale Shares held by the Investors;

(ii) all cash distributions shall be based on the amount of the cash distribution prior to the application of any Taxes payable by the Shareholder but after all Taxes, including dividend distribution tax, payable by the Company (including pursuant to any withholding or deduction requirements);

(iii) for all relevant purposes of these Articles, the Internal Rate of Return shall be calculated using the Microsoft Excel XIRR function (or if such program is no longer available, such other software program for calculating Internal Rate of Return using the same logic);

(iv) the rate of return on all investments made by the Investors and cash distributions, shall be calculated on the basis of Indian Rupees; and

(v) the rate of return shall be calculated as a per annum rate;

"**Key Employees**" shall mean and include:

(i) Mr Rajendran Joghee;

(ii) Mr Ravindranath Ramaiah;

(iii) the chief executive officer or any such equivalent designations of the Company and the Subsidiaries;

(iv) the chief financial officer or any such equivalent designations of the Company and the Subsidiaries;

(v) the chief operating officer or any such equivalent designations of the Company and the Subsidiaries;

(vi) company secretary of the Company and the Subsidiaries;

(vii) president; vice president (works), general manager, or any such equivalent designations; and

(viii) such other individuals as may be identified by the Members in writing;

"**Law**" shall mean any statute, law, regulation, ordinance, rule, judgment, notification, rule of common law, Order, decree, bye-law, Governmental Approval, directive, guideline, requirement or other governmental restriction, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law of any of the foregoing, by any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the First Reference Date or thereafter;

"**Liquidation Event**" with respect to the Company, shall mean any of the following:

(i) the appointment of a provisional or official liquidator by an appropriate court under any applicable Laws;

(ii) the commencement of any:

  (a) proceedings in relation to a compromise or arrangement with the creditors / debtors of the Company and / or the Subsidiaries or failure to pay Debts, under which the Company and / or the Subsidiaries may be wound up under the Act;

  (b) voluntary or involuntary liquidation, dissolution or winding up;

  (c) Transfer of a substantial portion of the Assets or undertaking;

  (d) Transfer or license of the trade mark 'Milltec' and any connected marks and logo without the prior written consent of the Investors; and / or

  (e) action indicating an intention to a merger, acquisition, change in Control, consolidation, or other transaction or series of transactions in which the Shareholders will not retain a majority of the voting power of the surviving entity or the Promoters shall be no longer in Control of the Company, other than as permitted under these Articles;

"**Liquidation Preference**" shall have the meaning assigned to it in Article 95.1;

"**Loss**" shall mean and include any and all losses, liabilities, obligations, claims, demands, actions, suits, judgments, awards, fines, penalties, Taxes, fees, settlements and proceedings, costs, expenses, royalties, deficiencies, damages (whether or not resulting from Third Party claims), charges, costs (including costs of investigation, remediation or other response actions), interests, out-of-pocket expenses, reasonable attorneys' and accountants' and accountants' fees and disbursements;

"**Material Adverse Effect**" shall mean, individually or in the aggregate, any events, conditions or items that, individually or in the aggregate, could reasonably be expected to have an adverse effect on:

(i) the Business, Assets of the Company, properties, liabilities, condition (financial or otherwise) or results of operations of the Company and / or the Subsidiaries, which has an impact in excess of 10% (ten per cent) of the net worth of the Company;

(ii) the ability of the Company and / or the Subsidiaries to conduct their respective business and to use the Assets and properties, in the same manner as previously conducted / held in the Ordinary Course of Business, which has an impact in excess of 10% (ten per cent) of the net worth of the Company;

(iii) the ability of the Company and / or the Subsidiaries and / or the Promoters to consummate the transactions contemplated hereby;

(iv) the validity or enforceability of these Articles; or

(v) the rights and remedies of the Investors under these Articles, including their enforceability and / or the ability of the Investors to enforce them;

"**Members**" shall mean the current Shareholders, being the Promoters and the Inverstors collectively;

"**MIPL**" shall mean Milltec Industries (Bangalore) Private Limited, a company incorporated under the Act, and having its registered office at No 325D, Bommasandra Jigini Link Road, KIADB Industrial Area, Bommasandra, Bangalore 560 106, Karnataka, India;

"**MOC**" shall mean the multiple as calculated by the Members in accordance with terms mutually agreed to in writing between them;

"**MOPL**" shall mean Milltec Outsourcing Private Limited, a company incorporated under the Act, and having its registered office at No 51-A, KIADB Industrial Area, I Phase, Bommasandra, Hosur Road, Bangalore 560 099, Karnataka, India;

"**MSPL**" shall mean MS Sorters Private Limited, a company incorporated under the Act, and having its registered office at No 235R, III Phase, KIADB Industrial Area, Bommasandra, Bangalore 560 099, Karnataka, India;

"**Non-curable Material Breach**" shall have the meaning assigned to it in Article 101.2;

"**Non-operational Reserved Matter**" shall have the meaning assigned to it in Article 99.1(i)**;**

"**Observer**" shall have the meaning assigned to it in Article 96.2;

"**Offered Securities"** shall have the meaning assigned to it in Article 91.2(i);

"**Offeree**" shall have the meaning assigned to it in Article 89.3(iii);

"**Offeree Price**" shall have the meaning assigned to it in Article 89.3(iii);

"**Offering Shareholders**" shall have the meaning assigned to it in Article 91.2(i);

"**Offering Shareholder Offer Notice**" shall have the meaning assigned to it in Article 91.2(i);

"**Offeror**" shall have the meaning assigned to it in Article 91.2(i);

"**Officers**" shall mean the employees of the Company who are of the designation of manager and above and shall include nominees of the Promoters and Directors;

"**Operational Reserved Matter**" shall have the meaning assigned to it in Article 99.1(ii)**;**

"**Order**" shall mean any order, injunction, judgment, decree, ruling, writ, assessment or award of a court, arbitration body or panel or other Governmental Authority;

“**Ordinary Course**” shall, with reference to an action, event or circumstance, taken by or happening with respect to, a Person mean an action, event or circumstance that is recurring in nature and is taken in the ordinary course of the Person’s normal day-to-day operations and:

(i) taken in accordance with sound and prudent business practices;

(ii) not required to be authorised by such Person’s shareholders, board of directors or any committee of the board of directors or shareholders, or other governing body of such Person and does not require any other separate or special authorisation of any nature;

(iii) similar in nature and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal day-to-day operations of other Persons that are engaged in businesses similar to such Person’s business; and

(iv) consistent with past practice and existing policies (including those in relation to debtors and creditors);

“**Outstanding Equity Shares**” shall have the meaning assigned to it in Article 94.2(iv);

“**Person**” shall mean any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable Law;

“**PMLA**” shall mean the Prevention of Money Laundering Act, 2002;

“**POCA**” shall mean the Prevention of Corruption Act, 1988;

“**Pre-emptive Right**” shall have the meaning assigned to it in Article 89.2(i);

“**Promoters**” shall mean the following Persons:

(i) Mr Rajendran Joghee, son of Mr MB Joghee, aged about 47 years, residing at No 251, Prestige Ozone, Varthur Road, White Field, Bangalore 560 066, Karnataka, India;

(ii) Ms Manjula, wife of Mr Rajendran Joghee, aged about 39 years, residing at No 251, Prestige Ozone, Varthur Road, White Field, Bangalore 560 066, Karnataka, India;

(iii) Mr Ravindranath Ramaiah, son of Mr V Ramaiah, aged about 49 years, residing at No 253, Prestige Ozone, Varthur Road, White Field, Bangalore 560 066, Karnataka, India; and

(iv) Ms R Uma, wife of Mr Ravindranath Ramaiah, aged about 39 years, residing at No 253, Prestige Ozone, Varthur Road, White Field, Bangalore 560 066, Karnataka, India;

“**Promoter Directors**” shall mean the Directors nominated by the Promoters;

“**Promoter Support Indemnity**” shall have the meaning assigned to it in Article 103.6;

“**Promoter Support Indemnity Period**” shall have the meaning assigned to it in Article 103.6;

“**Promoters Trade Sale Proposal**” shall have the meaning assigned to it in Article 93.1;

“**Purchase Consideration**” shall mean the total of Investor I Purchase Consideration and Investor II Purchase Consideration;

“**Put Notice**” shall have the meaning assigned to it in Article 94.3(ii)(a);

“**Put Option**” shall have the meaning assigned to it in Article 94.3(i);

“**Qualified Trade Sale Conditions**” shall have the meaning assigned to it in Article 93.1;

“**Recognized Stock Exchange**” shall mean the National Stock Exchange of India Limited, the Bombay Stock Exchange Limited or any other national or international exchange that is approved by the Investors in writing;

“**Related Party**”, with respect to the Company and the Subsidiaries (as applicable), shall mean:

(i) all the Subsidiaries;

(ii) the Affiliates of the Company and the Subsidiaries;

(iii) the Promoters, Affiliates of any Promoter, Directors (excluding the Investor II[5] Directors), any Affiliates of any such Directors and Shareholders holding more than 5.00% (five per cent) of the Share Capital at any time (excluding the Investors);

(iv) any Person in, or of which, any of the Persons in paragraphs (i), (ii) or (iii) above are directors, partners or proprietors or over which any of the above have any Control;

(v) any Person owned or Controlled by the Relative of any Promoter; and

(vi) any Relative of any of the Persons in paragraphs (i) to (iii) above;

"**Related Party Transactions**" shall mean transactions of any nature with a Related Party;

"**Relative**" shall have the meaning assigned to it in Section 6 of the Act, and shall include the meaning assigned to it under Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India;

"**Reserved Matters**" shall have the meaning assigned to it in Article 99.1;

"**Rupees**" or "**INR**" shall mean the lawful currency of the Republic of India;

"**SEBI**" shall mean the Securities and Exchange Board of India;

"**Second Reference Date**" shall mean 5 June 2013;

"**Securities**" shall mean and include the Shares and Share Equivalents;

"**Selling Promoters**" shall mean Mr V Ramanaiah, Ms Gayathri Devi, Mr VGN Prakash and Ms M Jyothi Rani;

"**Selling Promoters Non-compete Obligations**" shall have the meaning assigned to it in Article 103.6;

"**Share**" shall mean an equity share having a face value of INR 10 (Rupees Ten), carrying 1 (one) vote in the Share Capital;

"**Share Capital**" shall mean the share capital of the Company determined on a Fully Diluted Basis;

"**Share Equivalents**" shall mean preference shares, debentures, bonds, loans, warrants, options, depositary receipts, Debt securities, loan stock, notes, or any other instruments, Securities or certificates which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe to or purchase or which represent or bestow any beneficial ownership / interest in the Shares / Share Capital;

"**Shareholders**" shall mean and refer collectively to the shareholders of the Company and any such Persons who may become shareholders of the Company from time to time in compliance with the terms of these Articles and

"**Shareholder**" shall refer to any one of them, as the context may require;

"**Scheduled Board Meeting**" shall have the meaning assigned to it in Article 97.3;

"**Scheduled General Meeting**" shall have the meaning assigned to it in Article 98.1;

"**Subsidiaries**" shall mean: (i) all direct and indirect subsidiaries (as defined in the Act) of the Company; (ii) companies that may become direct and indirect subsidiaries of the Company after the First Reference Date; (iii) MIPL; (iv) MOPL; (v) MSPL; and (vi) any other form of entity over which the Company has Control and the term

"**Subsidiary**" shall be construed accordingly;

"**Tag Along Closing**" shall have the meaning assigned to it in Article 91.3(v);

"**Tag Along Notice**" shall have the meaning assigned to it in Article 91.3(i);

“**Tag Along Period**” shall have the meaning assigned to it in Article 91.3(i);

“**Tag Along Right**” shall have the meaning assigned to it in Article 91.3(i);

“**Tag Along Securities**” shall have the meaning assigned to it in Article 91.3(ii);

“**Tax**” or “**Taxes**” shall include, without limitation, all taxes (Indian and foreign), including without limitation, income tax, withholding tax, dividend distribution tax, capital gains tax, fringe benefit tax, sales tax, customs duty, octroi, wealth tax, gift tax, gains, franchise, property, sales, use, employment, license, excise duty, service tax, payroll tax, occupation tax, recording, value added or transfer taxes, governmental charges, fees, levies or assessments or other taxes, levies, fees, stamp duties, statutory gratuity and provident fund payments or other employment benefit plan contributions, withholding obligations and similar charges of any jurisdiction and shall include any interest, fines, and penalties related thereto and, with respect to such taxes, any estimated tax, interest and penalties or additions to tax and interest on such penalties and additions to tax;

“**Third Party**” shall mean a Person other than the Members;

“**Total Consideration**” shall mean the aggregate of the: (i) Purchase Consideration; and (ii) any other amounts invested by the Investors in the Company and / or the Subsidiaries and / or paid by the Investors to the Promoters;

“**Trade Sale**” shall have the meaning assigned to it in Article 93.1;

“**Trade Sale Acceptance Notices**” shall have the meaning assigned to it in Article 93.3;

“**Trade Sale Securities**” shall have the meaning assigned to it in Article 93.1;

“**Transfer**” (including with correlative meaning, the terms “**Transferred**” and “**Transferability**”) shall mean to transfer, sell, assign, pledge, hypothecate, create a security interest in or beneficial ownership over, or lien on, place in trust (voting or otherwise), exchange, gift or transfer by operation of Law or in any other way, subject to any Encumbrance or dispose of, whether or not voluntarily;

“**Transfer Notice**” shall have the meaning assigned to it in Article 91.4(ii);

“**UKBA**” shall mean the United Kingdom Bribery Act, 2010;

“**Umpire**” shall have the meaning assigned to it in Article 101.2; and

“**Umpire Certificate**” shall have the meaning assigned to it in Article 101.2(i).

87.2 **Interpretation**

(i) Any reference herein to any Article is to such Article in these Articles unless the context otherwise requires.

(ii) The index bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of these Articles.

(iii) Unless the context otherwise requires, words importing the singular include the plural and vice versa, and pronouns importing a gender include all other genders.

(iv) Reference to any legislation or Law or to any provision thereof shall include references to any such legislation or Law as it may, after the First Reference Date, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

(v) The terms “hereof”, “herein”, “hereby”, “hereto” and derivative or similar words refer to these entire set of Articles or specified Articles of these Articles, as the case may be.

(vi) Reference to the word “include” shall be construed without limitation.

(vii) Any word or phrase defined in the body of these Articles as opposed to being defined in Article 87.1 shall have the meaning assigned to it in the body of these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context.

(viii) When any number of Business Days is / are prescribed in these Articles, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day does not fall on a Business Day, in which case the last day shall be the next succeeding day that is a Business Day. Unless expressly specified, reference to a 'day' shall mean calendar day and shall not mean 'Business Day'.

88. COVENANTS

88.1 The Company shall:

(i) ensure that all agreements and arrangements between Persons forming part of the Promoters and / or their Affiliates on one hand and the Company and / or the Subsidiaries and / or their Affiliates on the other hand, are entered into on an Arm's Length Basis and are subject to the other provisions of these Articles. The Company shall also provide all assistance and make available all information, books, registers, Contracts, documents and records and provide access to all premises, sites, offices, personnel, Officers, employees, agents, accountants, consultants, etc. of the Company and the Subsidiaries as the Investors may require to review any such transaction on an on-going basis, subject to the Investors being bound by the confidentiality obligations;

(ii) shall not require the Investors to pledge any Securities held by them or provide any Debt or equity investments or other form of financial assistance to the Company or the Subsidiaries or to provide any guarantees in relation to any Debt or equity investments or any financial assistance to be obtained by the Company or the Subsidiaries from any other Person;

(iii) take all necessary actions to ensure that all the Subsidiaries comply with the provisions of these Articles;

(iv) comply with all the applicable Laws in all respects, and ensure that the Subsidiaries comply with all applicable Laws in all respects;

(v) not, and shall ensure that the Subsidiaries and / or their Affiliates shall not, engage, by themselves directly or by authorizing any Person to do so, in any offering, giving, receiving, or soliciting, any money, gifts, gratifications or any other thing of value to any Government Official or any other Person, that will amount to a violation of the FCPA, the UKBA, the PMLA, the POCA and other equivalent applicable Law to the Company and / or the Subsidiaries and / or the Promoters and / or their Affiliates and / or any Persons authorised by them, notwithstanding the applicability of the FCPA and / or the UKBA and / or the PMLA and / or the POCA to the Company and / or the Subsidiaries and / or the Promoters and / or their Affiliates and / or any Persons authorised by them, in relation to such conduct;

(vi) not, and shall ensure that the directors, officers, representatives, employees, advisors and agents of the Company and / or the Subsidiaries do not, make any offer, payment, promise to pay or authorise the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any government official or other statutory official (including without limitation, any tax or customs official, any employee of a government owned or Controlled company, or of a public international organization, or any Person acting in an official capacity on behalf of a government, government owned or Controlled company, or public international organization), or to any official or employee of any arbitral tribunal, or to any political party or an employee of any political party, domestic or foreign (or official thereof) (the "**Government Official**") or to any other Person who was or is in a position to help or hinder the business of the Company and / or the Subsidiaries and / or the Promoters and / or their Affiliates: (a) with the intent or purpose of influencing or inducing such Government Official or other Person in his official capacity, to do, omit to do or otherwise act in violation of the lawful duty of such Government Official or Person, or with the intent of securing any improper advantage; (b) inducing such Government Official to use his influence with a Governmental Authority to affect or influence any act or decision of such Governmental Authority; (c) that would cause the Company and / or its Subsidiaries and / or the Promoters and / or their Affiliates and their respective directors and employees to violate or be in violation of any Law (including without limitation the FCPA, notwithstanding the applicability of the FCPA and / or the UKBA and / or the PMLA and / or the POCA to the Company and / or the Subsidiaries and / or the Promoters and / or their Affiliates and / or any Persons authorised by them, in relation to such conduct), or subject it or them to damages or penalties in a civil or criminal proceeding; or (d) that could reasonably be expected to have a Material Adverse Effect, if not discontinued; and

(vii) shall, and shall ensure that its Affiliates, the Subsidiaries and their respective directors and employees shall, follow ethical business practices.

88.2 The Company shall, and shall cause each of the Subsidiaries to, take, keep and maintain in full force and effect, at all times, all insurance policies as may be required by the Company and / or the Subsidiaries, as the case may be, to maintain at all times, sufficient insurance cover as is customary for companies carrying on the Business, in accordance with best industry practices and international norms and customs and applicable Law.

88.3 The Company shall maintain, at all times, a directors' and officers' liability insurance policy for a minimum amount of USD 10,00,000 (United States Dollars Ten lakh) from an insurance company, as per the international norms and customs and applicable Law, for any liability, cost or expense (including legal expenses) accruing, incurred, suffered, and / or borne by the directors of the Company and / or the Subsidiaries. The Company shall cause each of the Subsidiaries to maintain, at all times, a directors' and officers' liability insurance policy for such amount as may be agreed by the respective boards of the Subsidiaries keeping in mind the international norms and customs and applicable Law.

88.4 The Company shall, and shall ensure that the Subsidiaries shall, at all times, adhere to the provisions of the Investment Code.

88.5 The Company and Promoters have no objection to the Investors or any of their Affiliates from investing from time to time in the equity of any company engaged in the Business or entering into Contracts with any Persons in India or elsewhere engaged in the same or similar Business. The Company and the Promoters hereby acknowledge that the Investors and their Affiliates invest in numerous companies, some of which may compete with the Company, and the Investors and their Affiliates will not be liable for any claim arising out of, or based upon: (i) the fact that they hold an investment in a company engaged in the same or similar Business; or (ii) any action taken by any of their officers or representatives to assist any such company, whether or not such action was taken as a board member of such competitive company, or otherwise, and whether or not such action has a detrimental effect on the Company. In relation to any investment proposed to be made by the Investors in any Competitor entity, the Investors shall: (i) make best efforts to obtain the consent of the counterparty to disclose the proposed investment to the Promoters; (ii) inform the Promoters of such investment once the investment is made; and (iii) ensure that the there is no common nominee of the Investor on the board of directors of the Company and the Competitor investee entity. Further, once the Investor has appointed a nominee on the board of directors of the Competitor investee entity, the nominee of the Investor on the Board shall sign a non disclosure agreement with the Company agreeing not to disclose any Information to the director nominated by the Investor on the board of directors of the Competitor investee entity.

88.6 **Escrow Arrangement:**

(i) The Promoters have agreed to deposit Shares held by them constituting 15% (Fifteen per cent) of the Share Capital in an escrow (the "**Escrow Shares**"), within 10 (ten) days of the Second Reference Date by way of security for the performance of certain obligations of the Promoters and the Company relating to: (a) adjustment of the net debt in accordance with terms as mutually agreed to in writing between the Members; (b) exit, as set out in Article 94.5; (c) accelerated exit, as set out in Article 101; (d) making the payment of an amount calculated in accordance with the provisions of Article 103.7; and; (e) making the payment of the indemnity amount in accordance with terms mutually agreed to in writing between the Members.

(ii) The escrow agent shall be caused to Transfer the Escrow Shares lying in the escrow account in accordance with the provisions set out in Articles 94.5, 101, 103.7 and such other terms as mutually agreed to in writing between the Members.

89. PRE-EMPTIVE AND ANTI-DILUTION RIGHTS

89.1 Subject to the terms as mutually agreed to in writing between the Members, the Company shall not, and shall ensure that the Subsidiaries shall not, without the prior written approval of the Investors, issue or allot or agree to issue or allot any securities of the Company and / or the Subsidiaries respectively to any Person. Further, any issuance or allotment of any securities by the Company and / or the Subsidiaries shall be subject to the provisions of this Article 89. The pre-emptive and anti-dilution rights of the Investors, as set out in this Article 89, shall be in addition, and without prejudice, to the rights of the Investors in relation to the Reserved Matters, as set out in Article 99.

89.2 **Pre-emptive Rights**

(i) The Investors shall have the right, but not the obligation, to subscribe to the Securities. In the event that the Company proposes to issue any Securities at any point in time after the First Reference Date or Securities issued as compensation to employees of the Company in excess of 5.00% (five per cent) of the Share Capital as on the First Reference Date in the aggregate (the "**Fresh Offering**"), then the Company shall, prior to making such Fresh Offering, offer such number of Securities forming part of the Fresh Offering to the Investors, as are proportionate to the then existing shareholding (prior to the Fresh Offering, calculated on Fully Diluted Basis) of the Investors (the "**Fresh Offering Securities**") on such other terms and conditions which are no less favourable than those being offered to any other Person in the proposed Fresh Offering (the "**Pre-emptive Right**").

(ii) The Fresh Offering shall be offered by the Company by issuing a written notice to the Investors (the "**Fresh Offering Issuance Notice**") setting forth in detail the terms of the Fresh Offering, including the proposed issuance price (the "**Fresh Offering Issuance Price**"), the time period for subscribing, which shall not be less than 45 (forty five) days from the date of the Fresh Offering Issuance Notice, and the number of Securities proposed to be issued (the "**Fresh Offering Issuance Securities**").

(iii) If the Investors are desirous of exercising their respective Pre-emptive Rights, then they shall inform the Company within a period of 14 (fourteen) days from the date of receipt of the Fresh Offering Issuance Notice that they wish to exercise their Pre-emptive Rights and the number of the Fresh Offering Issuance Securities to which they propose to subscribe.

(iv) The Investors may exercise their Pre-emptive Rights either by themselves or through their Affiliate(s), provided always that such Affiliate shall execute a Deed of Adherence. In the event that any Person holding the Securities by virtue of being an Affiliate of a Shareholder ceases to be an Affiliate of such Shareholder, such Shareholder shall acquire or cause any of its other Affiliates to acquire (such Affiliate to execute a Deed of Adherence), full and unconditional title in and to all of the Securities then held by such Person ceasing to qualify as an Affiliate.

(v) Thereafter, within the time period prescribed in the Fresh Offering Issuance Notice, the Investors and / or their Affiliate(s) shall pay for and subscribe to, simultaneously along with other subscribers to the Fresh Offering, such number of the Fresh Offering Issuance Securities as they are desirous of subscribing to at the Fresh Offering Issuance Price and on the terms and conditions set out in the Fresh Offering Issuance Notice. The issue of Securities pursuant to the Fresh Offering shall be completed no later than 45 (forty five) days from the date of the Fresh Offering Issuance Notice. The said 45 (forty five) days period may be extended for a period required for obtaining any Governmental Approvals that may be required for such purchase and payment by the Investors or their Affiliates(s).

(vi) If the Investors do not exercise their Pre-emptive Right within 14 (fourteen) days from the date of receipt of the Fresh Offering Issuance Notice, the Company shall be free to issue and allot the Fresh Offering Issuance Securities to a Third Party at a price which is not less than the Fresh Offering Issuance Price and on terms and conditions which are no more favourable than those offered to the Investors.

89.3 **Anti-dilution Rights**

(i) Notwithstanding anything contained elsewhere in these Articles, the Company shall ensure that the shareholding of the Investors in the Share Capital is maintained at the same level as existing prior to the occurrence of any of the below-mentioned events:

(a) any bonus issue of any Security by the Company;

(b) any stock split, consolidation or other similar action in respect of the Share Capital;

(c) any other reorganization, recapitalization, reclassification or similar event in respect of the Share Capital; and / or

(d) any issuance of Securities arising from the exercise of any stock options issued pursuant to a stock option plan, unless such stock option plan has been approved by the Investors in writing.

The Company shall, and the Promoters shall ensure that the Company shall, undertake all necessary steps to issue additional Securities to the Investors, at the lowest price permissible under applicable Law, so as to ensure that the proportionate shareholding of the Investors in the Share Capital is maintained at the same levels as existing immediately prior to the issue of such additional Shares to the Investors.

(ii) Notwithstanding any other provision of these Articles, the Company shall not issue any Security to any Person at a valuation less than the price per share at which the Investors have acquired the Investor Sale Shares.

(iii) Without prejudice to Article 89.3(ii), if the Company issues any Securities after the First Reference Date to any Person (each such Person, an "**Offeree**") and the price per Security paid by the Offeree (as determined in accordance with this Article 89.3) (the "**Offeree Price**") is less than the price per share at which the Investors have acquired the Investor Sale Shares, then the Company shall issue such number of Securities to the Investors, such that the total number of Securities held by the Investors is the number which the Investors would have been entitled to if the Investors had paid the weighted average of the price per share at which the Investors have acquired the Investor Sale Shares, the Offeree Price and the price per share at which any other investment may have been made at a price lower than the price per share at which the Investors have acquired the Investor Sale Shares. The Company shall undertake all necessary actions to ensure that the Investors are issued additional Securities as aforesaid at the lowest price permissible under applicable Law for the above purpose, at no other additional cost to the Investors, including by the Company capitalising its reserves to make a bonus issue of Shares solely to the Investors. The other investments at a price lower than the price of the Investor Sale Shares shall cover the investments made after the First Reference Date.

(iv) The Company shall take all such actions and do all such things as may be requested by the Investors, including without limitation obtaining Governmental Approvals and other Consents, entering into any contractual arrangements, and supporting all such decisions and actions, by exercising their respective voting and other rights, to ensure that necessary Consents are obtained to effect the actions contemplated in this Article 89.3. The Company shall not issue any Securities to an Offeree at a price, which is less than the price per share at which the Investors have acquired the Investor Sale Shares, if the Company is incapable, whether under applicable Law or otherwise, of giving effect to the provisions of Article 89.3(iii).

(v) For the purposes of this Article 89.3:

(a) the Offeree Price paid by an Offeree to whom the Securities have been issued shall be obtained by dividing the aggregate amount paid by such Offeree towards subscription to all the Securities by the total number of Securities issued to the Offeree;

(b) the Offeree Price paid by an Offeree to whom any Security has been allotted shall be obtained by dividing the aggregate price paid by such Offeree for all the Securities (including the amount payable at the time of conversion of such convertible instrument) by the maximum number of Shares that the convertible instrument is entitled to convert into, in accordance with its terms; and

(c) the consideration shall, for the purposes of all of the foregoing calculations, be expressed in Indian Rupees.

90. NO MORE FAVOURABLE RIGHTS

The Company shall not grant any rights to any Shareholder (other than the Investors) or to a Third Party which are more favourable than or superior to the rights granted to the Investors and / or their Affiliates under these Articles or any other document executed amongst the Investors and the Company without the prior written consent of the Investors. All information in relation to such rights being proposed to be granted to a Third Party shall be provided to the Investors, in writing, for the Investors to take an informed decision.

91. RESTRICTIONS ON TRANSFER OF SECURITIES

91.1 **Promoter Lock-in**

(i) The Promoters shall not, without the prior written consent of the Investors, Directly or Indirectly: (a) Encumber or otherwise Transfer any Securities held by them to any Person; or (b) permit any dilution of their stake in the Company ("**Promoter Lock-in**"). Pursuant to any Transfer or transmission of Securities, the transferee or legal heirs (as applicable) shall execute the Deed of Adherence and shall be deemed to be a Promoter for the purposes of these Articles. The Company shall not, without the prior written consent of the Investors, Directly or Indirectly Encumber or otherwise Transfer any securities held by them in the Subsidiaries to any Person.

(ii) Any Transfer or transmission of the Securities in breach of these Articles, including this Article 91, shall be null and void *ab-initio*, and shall not be r*egistere*d by the Company. Notwithstanding anything else mentioned in these Articles, any Transfer of Securities of the Company by the Promoters, other than Encumbrance over the Securities as part of the security package required to be provided to lenders of the Company in order to meet the funding requirements of the Company in terms of the Business Plan, shall be carried out only with the prior written consent of the Investors.

(iii) The Promoters shall not, without the prior written consent of the Investors, convert any Securities into dematerialised form, other than the Escrow Shares which shall be converted into dematerialised form for the purpose of depositing them in the escrow account in accordance with the terms as mutually agreed to in writing between the Members.

(iv) If the Securities held by Mr Rajendran Joghee or Mr Ravindranath Ramaiah are Transferred to their nominees / heirs due to incapacitation or death, then the nominees / heirs shall retain only the economic rights in the Securities and the voting rights in the Securities held by the dead or incapacitated Promoter shall be exercised by the surviving Promoter.

(v) If any of the Promoters Transfer their Securities pursuant to the provisions of these Articles, such that such Promoter no longer holds any Securities of the Company, such Promoter shall provide a written undertaking to the Investors, the Company and the continuing Promoters that he shall comply with the provisions of Article 103 till such time the Investors hold any Securities of the Company or for a period of 5 (five) years from the date of sale of his Securities, whichever is later. During this period, such Promoter shall not: (a) solicit or attempt or endeavour to solicit any Customer in order to undertake any business / activity of a type which is similar to the Business; and (b) be employed by or engaged with any Customer in a capacity which competes with or which may compete with the Business. Such Promoter shall not disparage the name, reputation or services of the Company or its employees or any Customer even beyond the period mentioned above. Further, the consideration paid for the Transfer of Securities shall be deemed adequate consideration for the purposes of enforcement of this Article and the transferring Promoter expressly waives any right to assert inadequacy of the consideration as a defense to enforcement of the covenants set forth in Article 103.

91.2 **Investors' Right of First Refusal**

(i) Subject to Article 9191.1, if, at any time, the Promoters (the "**Offering Shareholders**") receive a firm offer from a *bona fide* Third Party offeror or group of offerors (an "**Offeror**") to Transfer either Directly or Indirectly, legal or beneficial ownership of, or any economic interest in the Securities held by them (the "**Offered Securities**"), the Offering Shareholders shall provide a written notice (the "**Offering Shareholder Offer Notice**") to the Investors, of the proposed Transfer of the Offered Securities. Provided, however, that this right of first refusal shall not be available to the Investors in case the offer to Transfer Securities is for less than 5.00% (five per cent) of the Share Capital held by the Promoters as on the First Reference Date.

(ii) The Offering Shareholder Offer Notice shall include: (a) the number of Securities that the Offering Shareholders collectively own (on a Fully Diluted Basis), prior to the proposed Transfer; (b) the number of Offered Securities proposed to be Transferred by the Offering Shareholders; (c) the price per Security offered by the Offeror (the "**Offered Price**"); (d) the manner and time of payment of the Offered Price; (e) the proposed date of consummation of the proposed Transfer; (f) the identity of the Offeror; (g) the rights which are proposed to be granted / transferred to such Offeror; (h) the payment mechanism; and (i) a representation that no consideration other than the Offered Price, is being provided to the Offering Shareholders, and all other terms and conditions of Transfer. Upon receiving the Offering Shareholder Offer Notice, the Investors may, either by themselves or through their respective Affiliate(s), offer to acquire all or part of the Offered Securities at the Offered Price by providing a written notice to the Offering Shareholders (the "**Acceptance Notice**") within a period of 30 (thirty) Business Days from the date of receipt of the Offered Notice by the Investors (the "**Acceptance Notice Period**").

(iii) If the Investors exercise their right to purchase all or part of the Offered Securities by delivering the Acceptance Notice within the Acceptance Notice Period as mentioned above, then the Offering Shareholders shall, within a period of 20 (twenty) Business Days of receipt of the Acceptance Notice, Transfer the Offered Securities to the Investors and / or the Affiliate(s), free and clear of all Encumbrances along with customary representations and warranties in relation to the title of the Offered Securities as well as the Business. The said 20 (twenty) Business Days period may be extended for a period required for obtaining any Governmental Approvals that may be required for such purchase and payment of the Offered Securities. Simultaneously, the Investors shall pay the Offering Shareholders the Offered Price. The payment of the Offered Price shall be made, at the option of the Investors exercising their right of first refusal under this Article 91.2, by wire transfer or such other method as may be determined by the Investors. On the date of such Transfer of Securities in favour of the Investors, the Offering Shareholders shall issue irrevocable instructions to their depository participant to Transfer the Offered Securities to a securities account(s) designated by the Investors. If the Offered Securities are in physical form, then the Offering Shareholders shall deliver to the Investors: (a) the share certificates, properly endorsed for Transfer, representing the Offered Securities so purchased by the Investors; and (b) duly stamped share transfer deeds validly executed in the name of the Investors. If the Investors purchase only part of the Offered Securities, then the Offering Shareholders shall be free to Transfer all (but not less than all) of the remaining Offered Securities to the Offeror on terms and conditions which are no more favourable to such Offeror than those stated in the Offering Shareholder Offer Notice and at a price not less than the Offered Price, within a period of 20 (twenty) Business Days of receipt of the Acceptance Notice by the Offering Shareholders.

(iv) Subject to Article 91.3, if the Investors do not offer to purchase any Offered Securities pursuant to Article 91.2(iii) within the Acceptance Notice Period, then the Offering Shareholders shall be free to Transfer all (but not less than all) of the Offered Securities to the Offeror named in the Offering Shareholder Offer Notice, on terms and conditions which are no more favourable to such Offeror than those stated in the Offering Shareholder Offer Notice and at a price not less than the Offered Price, within a period of 20 (twenty) Business Days from the expiry of the Acceptance Notice Period. The Offering Shareholders shall furnish to the Investors adequate documentation evidencing the completion of the sale of the Offered Securities to the Offeror at the Offered Price, and on terms and conditions no more favourable than those mentioned in the Offering Shareholder Offer Notice mentioned therein within 2 (two) Business Days of such Transfer to the Offeror. If such Transfer does not occur within 20 (twenty) Business Days from the expiry of the Acceptance Notice Period by the Offering Shareholders, the Offered Securities shall again be subject to this Article 91.2.

91.3 **Tag Along Right of the Investors**

(i) Upon receiving the Offering Shareholder Offer Notice under Article 91.2, the Investors may, at their sole option, instead of providing the Acceptance Notice, provide the Offering Shareholders a written notice (the "**Tag Along Notice**") within a period of 30 (thirty) Business Days of receipt of the Offering Shareholder Offer Notice (the "**Tag Along Period**"), to Transfer a *pro rata* number and percentage of the Securities held by them and their Affiliates, based on the percentage of the shareholding of the Offering Shareholders being Transferred, to the Offeror prior to any Transfer of any Securities by the Offering Shareholders, on the same terms and conditions as set out in the Offering Shareholder Offer Notice. Further, if the Offering Shareholders propose to Transfer more than 26.00% (twenty six per cent) of their shareholding in the Share Capital, the Investors shall have the right to Transfer, and further require the Offering Shareholders to ensure that the Offeror purchases, up to 100% (One hundred per cent) of the Securities held by the Investors and their Affiliates to the Offeror, prior to any Transfer of any Security by the Offering Shareholders, on the same terms and conditions as set out in the Offering Shareholder Offer Notice (the above referred to as the "**Tag Along Right**").

(ii) The details of the Securities offered by the Investors and their Affiliates pursuant to the exercise of their Tag Along Right ("**Tag Along Securities**") shall be specified in the Tag Along Notice. The Offering Shareholders shall ensure that the Offeror purchases the Tag Along Securities.

(iii) The sale of the Offered Securities by the Offering Shareholders to the Offeror shall be subject to the Offeror also simultaneously acquiring the Tag Along Securities offered by the Investors and their Affiliates on terms no less favourable than those offered by the Offeror to the Offering Shareholders. If the Offeror refuses to purchase all of the Offered Securities as well as the Tag Along Securities, the number of the Offered Securities to be Transferred to the Offeror shall be accordingly reduced so as to ensure that the Investors are able to sell all their Tag Along Securities to the Offeror before the Offeror purchases any Offered Securities.

(iv) The Investors and their Affiliates will only provide representations and warranties to the Offeror with respect to the clear title of their respective Tag Along Securities and due authority and capacity to hold and Transfer their respective Tag Along Securities. The Offering Shareholders shall ensure that all of the terms of the proposed Transfer offered by the Offeror to the Offering Shareholders are also offered to the Investors.

(v) Subject to compliance with applicable Laws and this Article 91.3, the sale of the Tag Along Securities and the Offered Securities shall occur within 20 (twenty) Business Days of the delivery of the Tag Along Notice (the "**Tag Along Closing**"). The said 20 (twenty) Business Days period may be extended for a period required for obtaining any Governmental Approvals that may be required for such purchase and payment by any of the Shareholders. On the Tag Along Closing, the Investors and the Offering Shareholders shall issue irrevocable instructions to their depository participants to Transfer the Tag Along Securities and the Offered Securities, respectively, to the Offeror pursuant to the terms and conditions specified in the Tag Along Notice. If the Tag Along Securities and the Offered Securities are in physical form, then the Investors and the Offering Shareholders shall deliver to the Offeror: (a) the share certificates, properly endorsed for Transfer, representing the Offered Securities so purchased by the Offeror; and (b) duly stamped share transfer deeds validly executed in the name of the Offeror. The Offeror shall remit to the Investors and the

Offering Shareholders, at the Tag Along Closing, that portion of the proceeds of the Transfer, which the Investors and the Offering Shareholders are respectively entitled to, pursuant to the Transfer of the Tag Along Securities and the Offered Securities, by way of wire transfer or such other method as may be acceptable to the Investors.

(vi) In the event that the Investors do not exercise their Tag Along Right within the Tag Along Period, such Tag Along Right shall lapse and the Offering Shareholders shall be free to Transfer their Securities to the Offeror in terms of the Offering Shareholder Offer Notice in accordance with the provisions of Article 91.2(iv).

(vii) In the event that the Offeror proposes to pay the consideration in a form other than cash for the Securities Transferred pursuant to this Article 91.3, then the Offering Shareholders shall ensure that the Investors shall, at the Investor's sole option, receive either: (a) the consideration (which is not in the form of cash) received by the Offering Shareholders in any other form; or (b) cash in lieu of the consideration (which is not in the form of cash), as determined by one of the Big Four or any other financial adviser appointed by the Investors, for the Tag Along Securities Transferred by the Investors under this Article 91.3. The Offering Shareholders shall not Transfer any Offered Securities to the Offeror if the Investors feel that neither of the options mentioned above are feasible.

91.4 **Transfer by the Investors**

(i) The Investors shall not Transfer any Securities held by them to any Competitor within 5 (five) years from the First Reference Date or till the occurrence of an IPO, whichever is earlier, without the prior written consent of the Promoters other than in case of a material breach of these Articles in accordance with Article 101.2. The Investors shall indemnify the Promoters from and against any and all Loss(es) suffered by the Promoters as a result of a breach of this Article by the Investors.

(ii) The Investors, before Transferring their shareholding in the Company to a Third Party within 5 (five) years from the First Reference Date or till the occurrence of an IPO, whichever is earlier, shall provide a written notice to the Promoters to this effect (the "**Transfer Notice**"). Within 2 (two) Business Days of the receipt of the Transfer Notice by the Promoters, the Promoters and the Investors shall enter into discussions for the purchase of all the Securities held by the Investors by the Promoters at mutually agreed terms (including price). If the Investors and the Promoters reach an agreement for the Transfer of all the Securities held by the Investors to the Promoters in terms of this Article 91.4(ii), then the Investors and the Promoters shall complete the said Transfer within 45 (forty Five) days of the receipt of the Transfer Notice by the Promoters. If, however, the Investors and the Promoters are unable to conclude the Transfer of all the Securities held by the Investors to the Promoters within 45 (forty Five) days of the receipt of the Transfer Notice by the Promoters, then, subject to Article 91.4(i), the Investors shall be free to Transfer their shareholding in the Company to any Third Party.

(iii) Subject to Articles 91.4(i) and 91.4(ii), the Investors may freely Transfer the Securities held by them, along with the rights attached thereto. Any such transferee, pursuant to the Transfer, shall become entitled to all the rights and obligations of the Investors accruing to them under these Articles or other any other agreement executed by the Investors with the Company and / or the Promoters.

(iv) The Company shall promptly provide all assistance, make available all information, books, registers, Contracts, documents and records and provide access to all premises, sites, offices, personnel, Officers, employees, agents, accountants, consultants, etc. of the Company and / or the Subsidiaries that the Investors and / or their Affiliates or any Person identified by the Investors and / or their Affiliates, as the Investors may require, to enable such Persons to carry out a due diligence review of the Company and / or the Subsidiaries.

(v) The Company shall provide customary representations and warranties in relation to the Business.

(vi) Notwithstanding anything to the contrary contained in these Articles the Investors, without the prior permission of the Promoters, may freely Transfer the Securities held by them, along with the rights attached thereto to an Affiliate.

92. INITIAL PUBLIC OFFERING

92.1 The Company shall complete the IPO of the Securities of the Company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, or such other Laws as may be applicable, by the 5th (fifth) anniversary from the First Reference Date (the "**IPO Date**").

92.2 The Company shall ensure that the Investors shall have the right (but not the obligation) to offer all or any part of the Securities held by the Investors as an offer for sale as part of such IPO of the Company. The Promoters shall not, and shall cause their Affiliates not to, offer or participate in such offer for sale unless the Investors have offered such number of Securities held by the Investors as is acceptable to the Investors in such offer for sale.

92.3 The Promoters shall offer such number of their Securities for sale as may be required to meet the minimum offer requirement for listing of the Securities on a Recognized Stock Exchange in an IPO, if such minimum offer requirement is not fulfilled after taking into account the number of Securities the Investors offer for sale (at their sole discretion).

92.4 The Company shall be jointly and severally liable with the Promoters for the obligations set out in this Article 92 and shall provide all assistance, including but not limited to preparing and signing the relevant offer documents, conducting road shows, providing all necessary information and documents necessary for preparing the offer document, obtaining such Governmental Approval and Consents as may be required, and doing such further acts or deeds as may be necessary or required by the Investors, in connection with a sale of the whole or part of the Securities held by the Investors by way of an IPO.

92.5 The Investors are not the promoters of the Company and shall not be named as a 'promoter' in the prospectus or any other documents related to an initial public offering of the Securities of the Company or the Subsidiaries, and shall not be obliged to offer or make available the Securities held by them in the Company for the purposes of any mandatory lock-in as applicable to 'promoters' under applicable Law in respect of public offerings or otherwise, nor shall any declaration or statement be made, either Directly or Indirectly, in any filings with any Governmental Authorities as also any stock exchanges, offer documents or otherwise.

92.6 All costs and expenses relating to the IPO, including underwriting discounts, commissions, statutory filing and registration fees, and fees for advisors and managers to the IPO (including those appointed by the Investors), shall be borne by the Company, to the extent permissible under applicable Law.

92.7 In the event that the Company is unable to commence the process for an IPO of the Company within 4 (four) years and 6 (six) months from the First Reference Date, then at any time thereafter, the Investors shall, at their sole option, be entitled to, by providing a written notice to the Company and the Promoters, require the Company to as also the Promoters to assist, within a period of 6 (six) months following such notice, initiate and conclude an IPO and listing of the Securities of the Company with the primary purpose of enabling the Investors to sell the Securities of the Investors through such IPO.

92.8 To the extent permissible by SEBI and under applicable Law, the rights of the Investors: (i) to appoint the directors and observers on the board and committees of the Company and its Subsidiaries, as set out in Article 96; and (ii) in respect of the Reserved Matters, as set out in Article 99, shall continue to survive upon the occurrence of any IPO. The continuance of the aforementioned rights shall be discussed by the Members with the merchant banker appointed for such IPO. The Members shall mutually discuss the rights of the Investors in case the aforementioned rights are not permitted by SEBI and applicable Law.

92.9 Until the completion of the IPO, the Promoters shall not, without the consent of the Investors in writing, undertake any IPO of any Subsidiary or other entity that has a direct or indirect ownership stake in the Company or any other Affiliate of the Promoters.

92.10 In the event that:

(i) a draft red herring prospectus is filed with the SEBI in respect of either any proposed IPO which, prior to such filing, has necessitated the alteration of the class of Securities held by the Investors and / or the rights attaching to the class of Securities held by the Investors (such alterations being, collectively, the "**Conforming of Rights**"); and

(ii) within 6 (six) months of the filing of such draft red herring prospectus, the IPO does not complete such that the entire issued Share Capital of the Company is not admitted to trading on a Recognized Stock Exchange by the end of such 6 (six) month period,

then the Company shall undertake all necessary actions to ensure that the Investors are placed in the same position and possess the same rights each of them had the benefit of immediately prior to the Conforming of Rights.

93. TRADE SALE

93.1 Subject to Article 91.4 and in addition to the rights available to the Investors under Article 92, the Investors shall also be entitled to sell the Securities held by them to any Person by way of a trade sale (the "**Trade Sale**"). The Trade Sale may be initiated by either the Investors or the Promoters. Where the Trade Sale is initiated by the Investors, the Investors shall request the Company and the Promoters to cause the Trade Sale of all or part of the Securities held by the Investors on the date of such request (the "**Trade Sale Securities**") subject to providing a notice of 10 (ten) Business Days (the "**Investors Trade Sale Notice**") to the Company and the Promoters, setting out the desired terms on which the Trade Sale should occur. Where the Trade Sale is initiated by the Promoters, the Promoters shall send to the Investors the Trade Sale proposal (which proposal is valid and binding on the Third Party purchaser), setting out the number of Trade Sale Securities that the Third Party transferee is willing to buy and the terms on which the Trade Sale is proposed to occur (the "**Promoters Trade Sale Proposal**"). In the event that the Promoters Trade Sale Proposal fulfils the following conditions (the "**Qualified Trade Sale Conditions**"):

i. the Trade Sale happens prior to the 4^{th} (fourth) anniversary from the First Reference Date;

ii. the amount receivable by the Investors achieves the MOC;

iii. the Trade Sale Securities constitute the entire Securities then held by the Investors; and

iv. the Third Party purchaser has deposited the entire amount for purchase of the Securities held by the Investors in a separate escrow account,

then the Investors will be required to convey their acceptance of the Promoters Trade Sale Proposal by providing notice within 15 (Fifteen) Business Days of the receipt of the Promoters Trade Sale Proposal (the "**Investors Qualified Trade Sale Acceptance Notice**"). If, post acceptance by the Investors, the transaction is not completed for whatever reason, and the Investors continue to hold the Securities, then the rights set out in Article 94 will continue to survive in favour of the Investors.

93.2 If the Investors reject a Promoters Trade Sale Proposal containing all the Qualified Trade Sale Conditions, the rights set out in Article 94 favouring the Investors shall be extinguished. The Investors may, at their sole discretion, accept or reject a Promoters Trade Sale Proposal which does not contain all the Qualified Trade Sale Conditions by providing a notice of 21 (twenty one) Business Days (the "**Investors Trade Sale Acceptance Notice**") to the Company and the Promoters, either rejecting the Promoters Trade Sale Proposal or setting out the desired terms on which the Investors are willing to sell. If the Investors reject a Promoters Trade Sale Proposal which does not contain all the Qualified Trade Sale Conditions or post acceptance the transaction is not completed for whatever reason, and the Investors continue to hold the Securities, then the rights set out in Article 94 will continue to survive in favour of the Investors.

93.3 Within 15 (fifteen) days of the receipt by the Company and the Promoters of the Investors Trade Sale Notice, Investors Qualified Trade Sale Acceptance Notice or the Investors Trade Sale Acceptance Notice (assenting to a Trade Sale), as the case may be (collectively referred to as the "**Trade Sale Acceptance Notices**"), the Company and the Promoters shall initiate the process to facilitate such Trade Sale. The Company and the Promoters shall take all steps necessary (including without limitation, obtaining all Consents and Governmental Approvals) to complete the Trade Sale on the terms set out in the relevant Trade Sale Acceptance Notice within a period of 60 (sixty) Business Days from the date of receipt of the same, as extended for any time required to obtain any approvals from Governmental Authorities.

93.4 Following the service of the relevant Trade Sale Acceptance Notice, the Promoters and / or the Company shall undertake, as requested by the Investors, all steps necessary to effect such Trade Sale Acceptance Notice, including but not limited to appointing advisors (financial, legal, etc.) to facilitate and advise in relation to the Trade Sale, assisting in the preparation of any documentation relating to the Trade Sale, providing all necessary information and documents necessary for preparing the documentation relating to the Trade Sale, providing such representations and warranties as also indemnities as may be reasonably requested for by the proposed transferee of the Trade Sale and doing such further reasonable acts or deeds as may be necessary to effect the Trade Sale in accordance with the relevant Trade Sale Acceptance Notice.

93.5 The Investors shall not be required to provide any guarantees or indemnities, or be subject to any restrictive covenants pursuant to a Trade Sale and Transfer of Trade Sale Securities pursuant to Article 93.1 other than providing representations and warranties on the clear title of their respective Trade Sale Securities and due authority and capacity to hold and Transfer their respective Trade Sale Securities.

93.6 The Company shall bear any expenses in relation to: (a) facilitating the Transfer of Shares by the Investors to a Third Party within a period of 5 (five) years from the First Reference Date; and (b) facilitating the Transfer of Shares by the Investors to a Third Party after the expiry of 5 (five) years from the First Reference Date. Any expenses in relation to sub-Article (a) above exceeding 1.00% (one per cent) of the transaction value shall be borne equally by the Investors and the Promoters.

93.7 The Investors may exercise their rights under Article 94 only upon the expiry of 5 (Five) years from the First Reference Date.

94. FAILURE TO COMPLETE THE IPO OR A TRADE SALE

94.1 In the event that the Company and the Promoters fail to provide an exit to the Investors either by undertaking an IPO prior to the expiry of the IPO Date in accordance with Article 92, or a Trade Sale by the 5th (fifth) anniversary from the First Reference Date in accordance with Article 93, and the Investors continue to hold Securities, then the Investors shall have the right (but not the obligation) to:

(i) require the Company to buy-back all the Securities held by the Investors and their Affiliates in the Company, to the extent permissible under applicable Law, in a manner set out in Article 94.2;

(ii) require the Promoters to purchase all the Securities held by the Investors and their Affiliates in the Company, in a manner set out in Article 94.3; or

(iii) drag-along all the Securities held by the Shareholders (other than the Investors) in the Company in a sale of the Securities held by the Investors to a proposed transferee, in a manner set out in Article 94.4, on the same terms and conditions as the sale by the Investors. The drag-along right would be exercisable provided that the Investors sell all the Securities held by the Investors.

94.2 **Buy-back Option**

(i) Without prejudice to the rights of the Investors elsewhere in these Articles, in the event that the Investors continue to hold Securities, the Investors shall have the right to cause the Company, within 6 (six) months from the 5th (fifth) anniversary from the First Reference Date (the "**Buy-back Outer Date**"), to buy-back from the Investors in accordance with this Article 94.2 and subject to applicable Law, up to all the Securities held by the Investors and their Affiliates at the Fair Market Value, provided that the Investors shall have the discretion not to exercise this right if the buy-back cannot be completed in accordance with this Article 94.2.

(ii) Subject to applicable Law in relation to the Company's buy-back of Shares, each Investor may require the Company to buy-back some or all of the Securities held by them and their Affiliates (the "**Buy-back Option**") in accordance with the provisions of the Act. Provided, however, that each Investor may first require the Company and the Promoters to ensure that all the Shareholders other than the Investors and their Affiliates waive their rights to participate in any buy-back by the Company. The Promoters hereby waive their right to participate in any buy-back of Securities effected by any of the Investors in exercise of its rights under this Article 94.2.

(iii) Any Investor shall, by a notice in writing (the "**Buy-back Notice**"), be required to notify the Company of its decision to exercise the Buy-back Option. The Securities of the Investors and their Affiliates shall be bought back by the Company within a period of 30 (thirty) days from the date of the Buy-back Notice provided by any of the Investors, provided that the Company shall make best efforts to seek and obtain all applicable Governmental Approvals within such 30 (thirty) day period, or such date being no later than the Buy-back Outer Date. However, the said 30 (thirty) days period may be extended only for a period required for obtaining any Governmental Approvals that may be required for such buy-back.

(iv) In the event that all the Securities cannot be bought back by the Company solely due to applicability of Law or unavailability of funds, and if on the date of the Buy-back Notice, the number of Securities that may then be bought back by the Company is less than the number of Securities to be bought back in terms of the Buy-back Notice (the difference being, the "**Outstanding Equity Shares**"), then such Outstanding Equity Shares shall, at the sole option of the Investors: (a) be bought back as soon as the Company has legally available funds for, or otherwise becomes legally capable of completing, such buy-back; or (b) shall be bought by the Promoters in accordance with Article 94.3.

(v) The buy-back price for the Securities shall be the Fair Market Value together with all dividends declared by the Board but remaining unpaid (the "**Buy-back Price**"). The Buy-back Price will be proportionally or appropriately adjusted (as required) for:

(a) any distribution of securities by way of return of capital;

(b) any bonus issue by the Company;

(c) any stock split, consolidation or other similar action in respect of the Share Capital; and

(d) any other reorganization, recapitalization, reclassification, or similar event in respect of the Share Capital.

(vi) Subject to applicable Law, the Company shall effect a buy-back upon the Buy-back Option being exercised by an Investor on the date mentioned in the Buy-back Notice or such date being no later than the Buy-back Outer Date by paying the Buy-back Price in cash in exchange for each of the Securities then outstanding to be bought back. The Securities held by the Investors and their Affiliates shall be bought back on a *pro rata* basis. Each Investor's *pro rata* percentage of the Securities that are subject to buy-back shall be equal to the quotient obtained by dividing: (a) the total number of the Securities owned by such Investor immediately before the Buy-back election date; by (b) the total number of the Securities owned collectively by the Investors immediately before the Buy-back election date. The expenses of the buy-back (including the fees of the valuer) shall be paid by the Promoters.

94.3 **Put Option**

(i) In the event that the Buy-back Option has been exercised by the Investors, and the Company, for whatever reason, fails to buy back the entire Securities held by the Investors, then each Investor may, at its option, require the Promoters and / or their Affiliates, as appropriate, to purchase or procure to purchase up to all of the Securities held by the Investors and their Affiliates at the Fair Market Value in accordance with Article 94.3(ii) (the "**Put Option**").

(ii) Put Option Mechanism:

(a) The Investor shall notify the Promoters in writing (the "**Put Notice**") of its decision to require the Promoters to forthwith purchase the relevant number of Securities held by the Investors and their Affiliates (as determined by each Investor). Within 30 (thirty) days from the date of receipt of the Put Notice, or such date being no later than the Buy-back Outer Date, the Promoters shall complete the purchase of the Securities held by the Investors and their Affiliates in terms of the Put Notice.

(b) Upon receipt of the Put Notice, the Promoters and their Affiliates shall, within 30 (thirty) days from the date of the Put Notice, purchase all the Securities held by the Investors and their Affiliates in terms of the Put Notice and otherwise take all necessary actions to cause the consummation of such transaction. The said 30 (thirty) days period may be extended solely for a period required for obtaining any Governmental Approvals that may be required for such purchase by the Promoters. The expenses of the Put Option (including the fees of the valuer) shall be paid by the Promoters.

94.4 **Drag Along Right**

(i) In the event that the Buy-back Option and / or the Put Option have been exercised by the Investors and the Company and / or the Promoters, for whatever reason, fail to purchase or procure to purchase the entire Securities held by the Investors before the Buy-back Outer Date, then the Investors shall have the right to negotiate a Transfer of any or all (the "**Drag Percentage**") of the Securities to any Person(s) (the "**Drag Along Transferee**") that the Investors deem fit (the "**Drag Along Right**"). If the Investors exercise the Drag Along Right, the Promoters (acting jointly) shall be obliged to Transfer such portion of their Securities as would be required to achieve the Drag Percentage.

(ii) If the Investors exercise the Drag Along Right, the Investors shall send a written notice to the Promoters (the "**Drag Along Notice**"). The Drag Along Notice shall set out the identity of the Drag Along Transferee, the Drag Percentage and the consideration payable per Security. Upon receipt of a Drag Along Notice, the Promoters and their Affiliates shall, within 30 (thirty) days from the date of the Drag Along Notice:

(a) sell the Securities held by them as specified in the Drag Along Notice, free of any Encumbrance, in the transactions contemplated by the Drag Along Notice on the same terms and conditions as the Investors;

(b) provide customary representations and warranties in relation to the title of the Securities held by them as well as the Business; and

(c) otherwise take all necessary actions to cause the consummation of such transaction.

94.5 In order to facilitate the actions under Articles 94.4(i) and (ii), Investor II shall have a unilateral unfettered right to instruct the escrow agent to Transfer the Escrow Shares in favour of any Person in accordance with the terms as mutually agreed to in writing between the Members and in accordance with the Drag Along Notice.

94.6 The Company and the Promoters shall render all assistance necessary to expeditiously give effect to the rights of the Investors under this Article 94 including without limitation, obtaining all Consents and Government Approvals, and providing representations, warranties, covenants and indemnities, or be subject to any restrictive covenants, as required by the Investors, other than providing representations on the clear title of Investors' Securities and due authority and capacity of the Investors to hold and Transfer their respective Securities.

95. LIQUIDATION PREFERENCE

95.1 Upon the occurrence of a Liquidation Event, subject to applicable Law, including the right of workmen and secured creditors (as stated in Section 529A of the Act), the Investors shall be entitled to receive from the Company for the Securities held by the Investors, in preference to all other Shareholders and before any distribution is made upon any Security of the Company or otherwise to any Shareholder, an amount equal to: (i) the Total Consideration; or (ii) "X" of the total proceeds where "X" shall mean the percentage of Securities held by the Investors and their Affiliates at that point in time, whichever is higher (the "**Liquidation Preference**"). In the event that the Liquidation Event is an event under which the Investors are not entitled to receive the proceeds of such Liquidation Event by virtue of being a Shareholder, the Company shall purchase the Securities held by the Investors in accordance with Article 94.2 or 94.3.

95.2 After the payment of the Liquidation Preference to the Investors and their respective Affiliates, the remaining Assets shall be distributed to the Shareholders other than the Investors, on a *pro rata* basis.

95.3 Upon the occurrence of any Liquidation Event, in the event that the rights of the Investors provided in this Article 95 have not been given effect to by the Company or are not permissible to be given effect to or enforced, the Investors shall have the right to any amounts payable to the Promoters and shall require the Promoters to deposit all amounts received by them (pursuant to a Liquidation Event) in their capacity as Shareholders in an escrow account opened with an escrow agent appointed with the written consent of the Investors in accordance with the terms as mutually agreed to in writing between the Members, the details of which shall be finalized prior to the appointment of the escrow agent. The escrow agent shall settle all amounts due and payable to the Investors (pursuant to a Liquidation Event) and shall thereupon release any moneys payable to the Promoters only after all amounts receivable by the Investors are paid off in full.

96. BOARD OF DIRECTORS AND MANAGEMENT

96.1 On and from the Second Reference Date, the Board shall consist of 5 (five) Directors, of which:

(i) 2 (two) shall be Investor II Directors;

(ii) 2 (two) shall be Promoter Directors; and

(iii) 1 (one) shall be Independent Director, to be nominated by the Promoters.

96.2 Investor II shall be entitled to appoint an observer (the "**Observer**") to the Board and all the Committees. The Observer shall be entitled to attend all the meetings of the Board and the Committees, but shall not have any right to vote in any resolution of the Board or the Committees.

96.3 Each Investor II Director shall be a non-executive Director and shall not be liable to retire by rotation. The Promoters, Investor II, the other Shareholders and[9] the Company [10] shall take such actions as may be necessary (including exercising their votes at General Meetings, meeting of the Board or any of the Committees) to give effect to the provisions of, and to comply with their obligations under, this Article 96.

96.4 Subject to the Act, each Director shall be entitled to nominate an alternate Director, and such alternate Director shall serve in the absence of the Director. Any such appointment as alternate Director shall take place as the first item of business at a Board meeting, following receipt by the Company of such nomination. Upon his appointment as such alternate Director, an alternate Director shall be entitled to constitute the quorum, vote, issue, consent and sign written resolutions on behalf of the Director.

96.5 Investor II may require the removal of any Investor II Director nominated by it to the Company and nominate any other individual as a Director in his place, and the other Shareholders shall exercise their rights to ensure that the Company shall make the appointment of the individual nominated as aforesaid. In the event of the resignation, retirement or vacation of office of any Investor II Director, Investor II shall be entitled to appoint another Director in such place and the other Shareholders shall exercise their respective rights to ensure that the Company shall make the appointment of the individual nominated as aforesaid. Any vacancy occurring with respect to the position of the Investor II Director, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by Investor II. The Promoters may require the removal of any Promoter Directors nominated by them to the Company and nominate any other individual as a Director in his place, and the other Shareholders shall exercise their rights to ensure and the Company shall make the appointment of the individual nominated as aforesaid. In the event of the resignation, retirement or vacation of office of any Promoter Director, the Promoters shall be entitled to appoint another Director in such place and the other Shareholders shall exercise their rights to ensure and the Company shall make the appointment of the individual nominated as aforesaid. Any vacancy occurring with respect to the position of the Promoter Director, by reason of death, disqualification, resignation, removal or the inability to act, shall be filled only by another nominee specified by the Promoters. In the event the office of the Independent Director falling vacant for any reason, the Promoters shall nominate another Independent Director within a period of 30 (thirty) days from such office falling vacant.

96.6 **Committees**

(i) At least 1 (one) Investor II Director shall be appointed on all the Committees, including the audit and compliance Committee and the share transfer Committee.

(ii) The Company shall form an audit and compliance Committee upon such terms and conditions as may be decided by the Board. The chairman of such audit and compliance Committee shall be an Investor II Director. All meetings of the audit and compliance Committee shall require presence of at least 1 (one) Investor II Director. This requirement of quorum shall be applicable for the original as well as any adjourned audit and compliance Committee meeting.

96.7 The Company shall ensure that, to the extent permissible by applicable Law:

(i) the Investor II Directors and the Observer shall not be liable for any default or failure of the Company and / or any of the Subsidiaries in complying with the provisions of any applicable Law (including day-today management) (including Tax and labour Laws);

(ii) the Investor II Directors and the Observer shall not be identified as an 'officer-in-default' of the Company, or occupiers of any premises used by the Company under applicable Law; and

(iii) the Charter Documents of the Company and the Subsidiaries shall provide for indemnification of the Directors, up to the extent permitted under applicable Law.

96.8 **Day-to-Day Management**

(i) Investor II Directors shall not be liable or responsible for the day-to-day operation and management of the Company and the Promoter Directors shall be responsible for the same.

(ii) The responsibility for the day-to-day management of the Company, implementation of the Business Plan, and environment, social and governance compliance shall be the responsibility of the Promoter Directors.

(iii) The Board shall appoint a chief executive officer, chief financial officer, chief operating officer and other Key Employees, who shall exercise such powers as may be delegated by the Board subject to the Board's overall supervision and control and subject at all times to the affirmative rights of Investor II.

96.9 Subject to a minimum of 2 (two) Directors to be appointed by the Promoters and Investor II respectively, the Promoters and the Company shall ensure that the proportion of Directors nominated by the Company on the board of directors of the Subsidiaries shall be divided in the ratio of 1:1 between the Promoters and Investor II, and 1 (one) Director shall be an Independent Director.

96.10 The Company shall ensure that Investor II is entitled to appoint: (i) an observer to the board of directors and committees of the Subsidiaries if both Investor II Directors are appointed; or (ii) 3 (three) observers to the board of the directors and committees of the Subsidiaries if no Investor II Directors are appointed. The Company shall ensure that the observer shall be entitled to attend all the meetings of the board of directors and the committees of the Subsidiaries, but shall not have any right to vote in any resolution of the board of directors and the committees of the Subsidiaries.

96.11 Till the time a full-time company secretary is required to be appointed by the Company and / or the Subsidiaries (as applicable), the Company shall ensure that all company secretarial compliance for the Company and the Subsidiaries shall be handled by a company secretarial firm, whose appointment and remuneration shall be advised by Investor II in writing. Further, upon appointment of a full-time company secretary, such company secretary shall report to the audit and compliance Committee.

96.12 The provisions of Articles 96, 97, 98 and 99 relating to the Investor II's rights in respect of the Subsidiaries shall be enforced through the Company. The Promoters shall ensure that the rights of Investor II are enforced through the Company, and the Company and the Promoters shall cause the Subsidiaries to do all such acts and deeds as may be required by Investor II to give effect to the above provisions including without limitation, passing necessary resolutions of the board and shareholders to amend their respective Charter Documents.

97. MEETINGS OF THE BOARD

97.1 Subject to the Act, the Board shall hold meetings at the registered office of the Company or at such other place as is acceptable to an Investor II Director, at least once in every 3 (three) months, and at least 4 (four) such meetings shall be held in every calendar year.

97.2 Subject to Article 97.3, the notice for any Board meeting and meeting of any Committees shall be sent to the Directors at least 7 (seven) Business Days prior to the meeting together with the agenda, which shall clearly state if a Reserved Matter forms part of the agenda for the meeting, and the relevant documents for the same, unless all Directors agree to meet at a shorter notice in writing. Any item not specifically provided for in such an agenda shall not be taken up for discussions and voting in a Board meeting or a meeting of any Committee without the prior written consent of an Investor II Director. All notices for all meetings of the Board and Committees shall be in writing, and shall be sent to each of the Directors (with a copy thereof to Investor II) in the manner specified in this Article 97.

97.3 The quorum for a meeting of the Board or any Committee thereof (the "**Scheduled Board Meeting**") shall be as required under the Act or the relevant applicable Laws, subject to at least 2 (two) Directors being present at such Scheduled Board Meeting, 1 (one) of which shall be an Investor II Director. This quorum requirement can be waived by Investor II (in relation to the Investor II Directors) by a notice in writing at least 3 (three) Business Days in advance of the said Scheduled Board Meeting.

97.4 In the event that the quorum as set forth above is not achieved at any Scheduled Board Meeting, such Scheduled Board Meeting shall stand adjourned to the same day, location and time on the 7th (seventh) Business Day following the date on which the meeting was scheduled to be held (an "**Adjourned Board Meeting**"). The quorum requirements for the Adjourned Board Meeting shall be the same as for a Scheduled Board Meeting. Notwithstanding anything in these Articles, no discussions and resolutions on the Reserved Matters shall be taken up at any Board meeting and / or Committee meeting and / or by circular resolution without the prior written consent of the Investor II Directors. The certified copy of the minutes of the Scheduled Board Meeting and / or Adjourned Board Meeting shall be sent to the Directors as well as Investor II within a period of 7 (seven) Business Days of such meeting by fax and courier.

97.5 Subject to the provisions of Article 99 and this Article 97, a decision shall be said to have been made and / or a resolution passed at a meeting of the Board or any Committee, only if passed at a validly constituted meeting, and such decisions / resolutions are approved by the majority of the Directors which, unless otherwise mandated by applicable Law, shall mean approval by a majority of the Directors present and voting at such meeting of the Board.

97.6 Subject to applicable Law, Directors or members of any Committee may participate in meetings of the Board or Committees through video-conference or telephonic conference.

97.7 A written resolution circulated to all Directors or members of the Committees, and signed by a majority of them as approved, shall (subject to compliance with the relevant requirements of the Act) be as valid and effective as a resolution duly passed at a meeting of the Board or the Committee, called and held in accordance with these Articles and the Charter Documents of the Company. Provided however that: (i) such written resolution shall be circulated in draft form, together with the relevant papers, if any, to all the Directors at least 7 (seven) days prior to the circulation of any final written resolution; and (ii) if any 1 (one) such resolution pertains to any of the Reserved Matters, then it shall be valid and effective only if it has received the written consent of the Investor II Directors.

97.8 With respect to resolutions relating to any Reserved Matter, the process prescribed under Article 99 shall prevail over the provisions of this Article 97**.**

97.9 The Company shall ensure that the provisions of these Articles relating to the Board or the Committee meetings shall be applicable *mutatis mutandis* to meetings of any the board of directors or the committee of any Subsidiary.

98. SHAREHOLDERS MEETINGS

98.1 The Company shall hold at least 1 (one) General Meeting in any calendar year (the "**Scheduled General Meeting**"). The annual General Meeting shall be held in each calendar year within 6 (six) months following the end of the previous Financial Year of the Company. All General Meetings, other than the annual General Meeting, shall be extraordinary General Meetings. All Scheduled General Meetings shall be governed by the Act and the these Articles. The chairman of the Board shall act as the chairman of the Scheduled General Meeting.

98.2 The prior written notice of 21 (twenty one) Business Days for a Scheduled General Meeting shall be given to all the Shareholders; provided, however, that any Scheduled General Meeting may be held upon shorter notice in accordance with the provisions of the Act and subject to the prior written approval of the Members. All notices shall be accompanied by an agenda setting out the particular business proposed to be transacted at such meeting. Any item not specifically provided for in such an agenda shall not be taken up for discussions and voting in a Scheduled General Meeting without the prior written consent of Investor II.

98.3 The quorum for the Scheduled General Meetings shall be as required under the Act or the relevant applicable Law, subject to an authorised representative of Investor II being present at such meeting; provided, however, that no decision or determination shall be made and no action shall be taken by or with respect to the Company in respect of any of the Reserved Matters except in accordance with the provisions of Article 99. The certified copy of the minutes of the General Meetings shall be sent to Investor II within a period of 7 (seven) Business Days of such meeting by fax and courier. In the event a General Meeting is held without the presence of an Investor II representative, then the receipt of the minutes of such meeting shall have to be acknowledged by Investor II, in writing, prior to any succeeding General Meeting.

98.4 In the event that the quorum as set forth above is not achieved at a Scheduled General Meeting, such meeting shall, unless otherwise indicated by the Members in writing, stand adjourned to the same location and time on the 15^{th} (fifteenth) Business Day following the date on which the meeting was scheduled to be held (an "**Adjourned General Meeting**"). The quorum requirements for the Adjourned General Meeting shall be the same as for a Scheduled General Meeting. Further, no Reserved Matter shall be discussed or voted upon in any General Meeting unless: (i) an authorized representative of Investor II shall have attended such meeting; or (ii) Investor II has consented to the same in writing.

99. RESERVED MATTERS

99.1 Notwithstanding any other provision of these Article, the Company shall ensure that no obligation of the Company shall be entered into, no decision shall be made and no action shall be taken by the Company, Promoters, other Shareholders, Subsidiaries, Committees, Directors, agents, representatives, etc. with respect to the Company and where applicable, the Subsidiaries, whether in General Meetings or meetings of the Board or Committees or otherwise, in relation to any of the following matters (collectively, the "**Reserved Matters**") without following the procedure set forth in this Article 99:

(i) The following shall be non-operational reserved matters (collectively, the "**Non-operational Reserved Matters**"):

(a) to issue new Securities or securities of the Subsidiaries, otherwise than by way of bonus issue or any issuance of warrants or options to acquire Securities or securities of any the Subsidiaries which are convertible to or exchangeable for Securities or securities of the Subsidiaries;

(b) any increase and / or decrease and / or redemption and / or conversion and / or sub-division and / or alteration in the authorized or issued or paid up share capital of the Company or the Subsidiaries or the issue or grant of any option over the un-issued share capital of the Company or the Subsidiaries including stock option plans or the issue of any new class of shares in the capital of the Company or the Subsidiaries;

(c) any merger, de-merger, direct or indirect investment in any entity, acquisition, liquidation, consolidation, reconstitution, reorganization, partnership, amalgamation, joint venture, partnership or other business combination or establishing any new subsidiary and / or Affiliate or divesting or dilution of any holdings in any subsidiary or joint venture of the Company or the Subsidiaries;

(d) to vary rights of holders of any class of shares of the Company or the Subsidiaries;

(e) appointment, termination or change of auditors and approval of their remuneration;

(f) changes in accounting or reporting policies except as may be required by applicable Law.

(g) granting any power of attorney other than in the Ordinary Course of Business;

(h) nomination, removal and replacement of Independent Director or Director nominated by Investor II or any other changes in the structure of the Board, or the manner of appointment or the terms of appointment of Directors;

(i) initiating or approving an IPO and appointment of advisors including book running managers to such IPO;

(j) compromising or entering into by the Company of a scheme of arrangement with its creditors or Shareholders;

(k) changing the registered office of the Company or any amendment in the Charter Documents of the Company;

(l) any Transfer of Shares other than Shares of the Investor;

(m) winding up of the Company including voluntary winding up and winding up by the court; and

(n) making any loan to any shareholder or director of the Company and / or the Subsidiaries or providing any surety or security arrangement in respect of any such loan or making any advance or loan or credit to any Person beyond the limits set out in the approved annual budget.

(ii) The following shall be operational reserved matters (collectively, the "**Operational Reserved Matters**"):

(a) to commence any new line of business which is different from the existing lines of the Company's Business or any material departure from the Business Plan. To carry on any other Business other than the Company or the Subsidiaries by the Promoters Directly or Indirectly;

(b) Related Party Transactions;

(c) capital expenditure amount exceeding the annual capital expenditure amount as provided in the approved Business Plan by: (i) INR 2,00,00,000 (Rupees Two crore); or (ii) 10.00% (ten per cent) of the budgeted amount;

(d) to approve the yearly budget, annual accounts, the business plans, dividend policy and dividend distribution.

(e) appointment or removal of Key Employees and approving their remuneration and terms of employment;

(f) transactions in excess of INR 1,00,00,000 (Rupees One crore), other than in the Ordinary Course of Business;

(g) making any loan to any officer of the Company and / or the Subsidiaries or providing any surety or security arrangement in respect of any such loan or making any advance or loan or credit to any Person beyond the limits set out in the approved annual budget;

(h) determination and payment of any Directors' remuneration, commission and fees;

(i) initiating, defending or settling any litigation, arbitration or similar proceedings the outcome of which may affect the Company by more than INR 1,00,00,000 (Rupees One crore) or may result in any long term restrictions on the Company in the form of injunctions; and

(j) any borrowing in excess of those permitted under the Business Plan, or those requiring security on the property of the Company.

99.2 In the event that any matter, decision, action or resolution relating to a Reserved Matter is proposed to be considered or passed:

(i) in a meeting of the Board or any Committees thereof;

(ii) by circular resolution;

(iii) in a General Meeting or Committees thereof; or

(iv) in any other manner whatsoever,

then the Company shall inform Investor II at least 21 (twenty one) Business Days (or such shorter period as may be consented to by Investor II in writing) prior to the occurrence of the meeting of the Board, General Meeting or Committees thereof referred to in Articles 99.2(i), 99.2(ii), 99.2(iii) and the event referred to in Article 99.2(iv), to consider or pass such Reserved Matter. The Reserved Matters shall be considered approved only if they have been approved by Investor II in writing.

99.3 The Board shall not delegate the power to take decisions in relation to the Reserved Matters to any other Committee or individual, without the prior written approval of Investor II.

100. AUDITORS

100.1 For the Financial Year 2013-14 and thereafter, the Company shall appoint: (i) any one of the Big Four; or (ii) such other firm as may be agreed to, in writing, by Investor II, as the statutory auditors of the Company. Such auditor shall not be removed without the prior written consent of Investor II.

100.2 If the Company decides to outsource internal audit work, the Company shall employ the services of any local audit firm acceptable to Investor II. Further, the scope of services to be rendered by such local audit firm shall have to be approved by Investor II in writing prior to its appointment.

100.3 If the Company decides to employ an internal auditor, such internal auditor may be appointed by the audit and compliance Committee of the Company. The scope of activities of the internal auditor shall be determined by the Board and the internal auditor shall report to the Board or the audit and compliance Committee.

.

101. RIGHTS IN THE EVENT OF MISMANAGEMENT OR MATERIAL BREACH / EVENT OF DEFAULT

101.1 Rights in the event of Mismanagement based on Conclusive Finding

(i) In the event that the Conclusive Finding reveals that there has been an Act of Mismanagement, then the Investors shall have the following rights:

(a) Investor II shall have the right to appoint and change the Key Employees of the Company and / or the Subsidiaries;

(b) Investor II shall have the right to induct additional directors on the board of the Company and / or the Subsidiaries so as to constitute a majority on the Board;

(c) Investor II shall have the right to determine utilisation of surplus cash;

(d) Investors shall have the right to, notwithstanding anything to the contrary contained in these Articles, go for an accelerated exit by exercising: (x) either the Buy-back Option or the Put Option, or both; and (y) the Drag Along Right; and

(e) Investor II shall have the right to require the Promoters to vote in accordance with their instructions so as to ensure the enforceability of the rights of the Investors set out in (a) to (d) above.

In the event any of the above actions are taken by the Investors, the matter may be referred to arbitration by either of the Members on terms mutually agreed to in writing between the Members. The Company and the Promoters shall provide all assistance as required by the Investors for completing any of the actions set out in Article 101.1(i). For the purpose of this Article, “accelerated exit” shall mean an exit, pursuant to the exercise of the Buy-back Option and / or the Put Option by the Investors in accordance with Article 94.2 and / or 94.3, completed within a period of 3 (three) months (and not 6 (six) months) from the date on which the Investors notify the Promoters and / or the Company of their intention to exit, failing which the Investors shall have the right to exit the Company by exercising their Drag Along Right in accordance with Article 94.4.

(ii) For the purposes of Article 101.1(i), a "**Conclusive Finding**" shall mean the conclusive finding arrived at in accordance with the following procedure:

(a) If Investor II have reason to believe that an Act of Mismanagement has occurred, Investor II shall notify the Promoters of such an act in writing. The aforesaid notice shall include the details of the alleged Act of Mismanagement and any documents evidencing the same. Investor II and the Promoters shall, within 7 (seven) days of the notice by Investor II, discuss the alleged Act of Mismanagement. If the Promoters agree that an Act of Mismanagement has occurred, then the rights of the Investors set out in Article 101.1(i) shall get triggered. If Investor II and the Promoters do not come to a conclusion in relation to the alleged Act of Mismanagement within the aforementioned 7 (seven) days period, then Investor II and the Promoters shall mutually appoint an auditor to conduct an audit on the Company (the "**Assessor**") within 7 (seven) days of the expiry of 7 (seven) days period. If Investor II and the Promoters fail to appoint the Assessor as aforesaid, then the Independent Director shall appoint a practice head of one of the Big Four as the Assessor within 7 (seven) days of the expiry of 7 (seven) days period. If the Independent Director fails to appoint the Assessor as aforesaid, then Investor II, at its sole discretion, may appoint one of the Big Four as the Assessor.

(b) The Company and the Promoters shall provide all the necessary assistance in such an audit, including providing all the documents required for the audit. Pursuant to the audit, the Assessor shall provide Investor II with a certificate of audit which certificate shall state whether or not any Act of Mismanagement has occurred. Such finding of the Assessor shall be conclusive and binding, notwithstanding any dispute that may be raised in this regard in a court or in arbitration. All expenses in relation to the appointment of the Assessor and the conduct of audit by the Assessor shall be borne by the Company. However, if pursuant to such an audit: (i) the Assessor finds that an Act of Mismanagement has occurred, then the Company and / or the Promoters shall reimburse the expenses incurred by the Company in relation to such audit; or (ii) the Assessor finds that an Act of Mismanagement has not occurred, then Investor II shall reimburse the expenses incurred by the Company in relation to such audit.

101.2 Rights in the event of Material Breach and Event of Default

(i) Any Person acceptable to Investor II and the Promoters shall be appointed as an Umpire (the "**Umpire**") to determine whether or not an Event of Default is: (a) a non-curable material breach of these Articles (a "**Non-curable Material Breach**"); or (b) a curable breach of these Articles (a "**Curable Breach**"). If Investor II and the Promoters are unable to agree on an Umpire within a period of 7 (seven) days of an Event of Default, then a retired Supreme Court / High Court judge shall be appointed by Investor II as the Umpire. The fees and expenses of the Umpire shall be paid by the Company.

(ii) Once the Umpire is appointed, the Umpire shall provide a certificate stating whether such an Event of Default constitutes a Non-curable Material Breach or a Curable Breach (the "**Umpire Certificate**"). Any breach by the Promoters and / or the Company of the following shall be a Non-curable Material Breach:

(a) Articles 89 (*Pre-emptive and Anti-dilution Rights*), 90 (*No More Favourable Rights*), 91.1 (*Promoter Lock-in*), 91.2 (*Investors' Right of First Refusal*), 91.3 (*Tag Along Right of the Investors*), 94.2 (*Buy-back Option*), 94.3 (*Put Option*), 94.4 (*Drag Along Right*), and / or 103 (*Non-Compete Undertaking*);

(b) any of the Non-operational Reserved Matters; and / or

(c) Transfer or license of any Intellectual Property or the trade mark 'Milltec' and any connected marks and logo without the prior written consent of Investor II.

(iii) In the event that, in terms of the Umpire Certificate, an Event of Default is held to be a Curable Breach, then the Promoters, the Company and / or the Subsidiaries shall have a period of 45 (forty five) days from the date of the Umpire Certificate to remedy such Event of Default (the "**Cure Period**").

(iv) In the event that: (a) any Event of Default is held to be a Non-curable Material Breach; or (b) any Curable Breach is not cured by the Promoters, the Company and / or the Subsidiaries within the Cure Period, then the Investors shall, in addition to the rights set out in Article 101.1(i), have the following rights:

(a) The Investors shall have the right to refer the matter to arbitration on terms mutually agreed to in writing between the Prinicipals;

(b) The Investors shall have the right to force the Company to go for an accelerated IPO;

(c) The Investors shall have the right to direct the Company and the Promoters to buy-back / purchase all the Securities held by them and their Affiliates at a price which is 125.00% (one hundred twenty five per cent) of the Fair Market Value, subject to applicable Law, prevailing immediately prior to the occurrence of the material breach;

(d) Investor II shall have the right to require the managing director of the Company and / or the Subsidiaries to resign such that he continues to be a non-executive director of the Company and / or the Subsidiaries and the affairs of the Company and / or the Subsidiaries are conducted only by the board or directors directly;

(e) The Investors shall have the right to Transfer any or all of the Securities held by them and their Affiliates to a Third Party, including a Competitor, without the prior consent of the Promoters and to assign all or any of the Securities held by them and their Affiliates and / or any of their rights under these Articles to any Person, including a Competitor, without the prior consent of any of the Promoters or the Company;

(f) The Investors shall have the right to, notwithstanding anything to the contrary contained in these Articles, go for an accelerated exit by exercising: (x) either the Buy-back Option or the Put Option, or both; and (y) the Drag Along Right; and

(g) Investor II shall have the right to require the Promoters to vote in accordance with their instructions so as to ensure the enforceability of the rights of the Investors set out in (a) to (f) above.

It shall be at the sole option of the Investors whether they want to exercise the additional rights set out in Article 101.2(iv). If the Investors undertake any of the actions set out in Article 101.2(iv)(b) to (e), then neither of the Members shall refer the matter to arbitration. The Company and the Promoters shall provide all assistance as required by the Investors for completing any of the actions set out in Article 101.2(iv). For the purpose of this Article, “accelerated exit” shall mean an exit, pursuant to the exercise of the Buy-back Option and / or the Put Option by the Investors in accordance with Articles 94.2 and / or 94.3, completed within a period of 3 (three) months (and not 6 (six) months) from the date on which the Investors notify the Promoters and / or the Company of their intention to exit, failing which the Investors shall have the right to exit the Company by exercising their Drag Along Right in accordance with Article 94.4.

102. INFORMATION AND INSPECTION RIGHTS

102.1 The Company shall, and shall ensure that the Subsidiaries shall, upon the request of Investor II, provide Investor II all information available to a Director, including the nominee Directors of the Promoters.

102.2 The Company shall, and shall cause the Subsidiaries to, furnish (in relation to the Company and each of the Subsidiaries) to Investor II and / or its representatives, the following information, in the form and manner as may be specified by Investor II:

(i) within 14 (fourteen) days after the end of each month, monthly management review detailing key operational performance indicators of the Company and the Subsidiaries;

(ii) within 45 (forty five) days after the end of each quarter, unaudited statements of income and cash flows of the Company (on standalone and consolidated basis) and the Subsidiaries for such quarter and for the period from the beginning of the relevant Financial Year to the end of such quarter, and a balance sheet as of the end of such quarter;

(iii) within 90 (ninety) days after the end of each Financial Year, audited statements of income, cash flows and Shareholders’ equity of the Company (on standalone and consolidated basis) and the Subsidiaries for such year and a balance sheet as of the end of such year and accompanied by the report of an independent chartered accountant of recognized standing;

(iv) within 30 (thirty) days prior to the end of each Financial Year, a budget for the next Financial Year including operating and capital budgets for the Company and the Subsidiaries and such other reasonable information requested by Investor II;

(v) certified copies of the Board, Committee, and General Meeting minutes within 7 (seven) days after such events;

(vi) any information relating to the occurrence of any event which would, or is likely to, be a Material Adverse Effect, within a maximum period of 7 (seven) days in relation to the Company and / or the Subsidiaries. For the purposes of this Article, any Material Adverse Effect, which has an impact of less than 10.00% (ten per cent) of the net worth of the Company shall also be included;

(vii) any material information and details of significant events impacting the Company and / or the Subsidiaries, including the resignation of any of the Key Employees, within a maximum period of 7 (seven) days;

(viii) all other relevant information in relation to the Company and / or the Subsidiaries including business plans, capital expenditure budgets and management reporting information; and

(ix) any other information reasonably requested by Investor II or the Investor II Directors.

102.3 Investor II shall also be entitled to complete inspection and visitation rights in respect of the Company and the Subsidiaries to its satisfaction, subject to a written notice of 2 (two) days. The Company and the Subsidiaries shall give full access to Investor II and its authorized representatives (including fund investors, lawyers, accountants, auditors and other professional advisors) to visit and inspect all properties, Assets, corporate, financial and other records, reports, books, Contracts and commitments of the Company and the Subsidiaries and to make copies therefrom; to discuss the Business, action plans, budgets and finances with the Directors and Officers and Key Employees of the Company and the Subsidiaries (as applicable); and to provide all relevant information as required by Investor II.

102.4 The CDC shall have the right to visit, upon reasonable notice, any of the premises where Business is being conducted by the Company and the Subsidiaries, and shall have access to their books of accounts and records to the extent reasonably necessary to monitor compliance with: (i) the Investment Code; and (ii) the Investors' compliance with its know-your-customer and anti-money laundering policy, procedures and control.

102.5 The Company and the Promoters shall provide all information about the Company and its Affiliates as may be required by any potential purchaser for conducting the due diligence on the Company, in order to consider purchasing the Securities held by the Investors.

103. NON-COMPETE UNDERTAKING

103.1 During the period commencing on the First Reference Date and for as long as the Investors hold any Securities in the Company and / or the Subsidiaries:

(i) the Promoters shall conduct the Business exclusively through the Company and / or the Subsidiaries and shall devote their undivided and complete attention, time and energy necessary for the Business. The Promoters, collectively or individually, whether Directly or Indirectly, through their Relatives, Affiliates or nominees, shall not engage in any activity (including designing and production of equipments), which competes with or is similar to the Business, without the prior written consent of the Investors.

(ii)

Specifically for the purpose of this Article 103.1(i), the meaning of the term "Relative" shall be restricted to the following Persons: spouse, father, mother, son, daughter, son's wife, daughter's husband, brother, brother's spouse, sister, sister's spouse, brother's children and sister's children;

(iii) the Promoters, collectively or individually, whether Directly or Indirectly, through their Relatives, Affiliates or nominees, shall not aid or abet their Relatives to engage, in any activity (including designing and production of equipments), Directly or Indirectly, which competes with or is similar to the Business, without the prior written consent of the Investors;

(iv) the Promoters shall direct all commercial opportunities related to the Business that are available to the Promoters or their Affiliates, to the Company or the Subsidiaries, and shall not, without the prior written consent of the Investors, use such commercial opportunity for their benefit or for the benefit of their Affiliates;

(v) the Promoters shall not, without the prior written consent of the Investors, invest or be involved, in any capacity and in any manner whatsoever, Directly or Indirectly or through their Affiliates, in any company, venture or enterprise related to the Business (including designing and production of equipments). The right of the Promoters to hold investments or be involved in the companies carrying on business other than the Business is subject to the same not adversely affecting the Promoters ability to devote necessary attention, time and energy for the Business;

(vi) the Promoters and their Affiliates, shall not, either on their own account or for other Person, solicit any employees of the Company and / or the Subsidiaries to leave his or her employment, induce or attempt to induce any such employees to terminate or breach his employment agreement with the Company and / or the Subsidiaries (as applicable), or itself, Directly or Indirectly, hire or engage in any other manner, any employee of the Company and / or the Subsidiaries for a period of 2 (two) years post termination of employment with the Company and / or the Subsidiaries or a period of 5 (five) years from the First Reference Date, whichever is later; and

(vii) the Promoters shall not, nor shall any of their respective Affiliates, Directly or Indirectly, solicit, cause in any part or encourage any Customers and agents of the Company or the Subsidiaries, engaged in relation to the Business, to cease dealing with the Company or the Subsidiaries, or solicit, cause in any part or encourage any Customers and agents of the Company or the Subsidiaries, to do Business with any other Person, or itself, Directly or Indirectly, deal with such Customers and agents.

103.2 Post termination of employment of a Promoter, such Promoter shall provide a written undertaking to the Investors, the Company and the continuing Promoters that he shall comply with the provisions of this Article 103 till such time the Investors hold any Securities of the Company or for a period of 5 (five) years from the termination of employment, whichever is later. During this period, such Promoter shall not: (i) solicit or attempt or endeavour to solicit any Customer in order to undertake any business / activity of a type of which is similar to the Business; and (ii) be employed by or engaged with any Customer in a capacity which competes with or which may compete with the Business. Such Promoter shall not disparage the name, reputation or services of the Company or its employees or any Customer even beyond the period mentioned above.

103.3 The Promoters shall maintain confidentiality of the Company Confidential Information and shall not, without the prior written consent of the Investors, divulge any Company Confidential Information to any Person or use the Company Confidential Information in any manner till such time the Investors hold any Securities of the Company or for a period of 5 (five) years from the termination of employment / sale of their Securities, whichever is later.

103.4 The duration and scope of the undertakings in this Article are necessary and reasonable in order to protect the Company and the Subsidiaries in the conduct of the Business and the utilization of assets of the Company and the Subsidiaries, tangible and intangible, including goodwill.

103.5 Each Promoter expressly waives any right to assert inadequacy of consideration as a defence to enforcement of the covenants set forth in this Article 103. In the event that any provision of this Article 104 shall be determined by any court of competent jurisdiction to be unenforceable by reason of it being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by Law.

103.6 The Selling Promoters have agreed to confidentiality, non-disclosure and non-compete obligations for a period of 3 (three) years from the First Reference Date (the "**Selling Promoters Non-compete Obligations**"). Notwithstanding the applicability of the Selling Promoters Non-compete Obligations for a period of only 3 (three) years from the First Reference Date, the Promoters have further undertaken to indemnify the Investors if the Investors in their sole discretion, are of the view that any of the Selling Promoters is in breach of any of the Selling Promoters Non-compete Obligations after the end of the 3 (three) years from the First Reference Date up to a period of 5 (five) years from the First Reference Date and the Investors fail to receive an IRR of at least 18.00% (eighteen per cent) on the Total Consideration upon their exit as Shareholders from the Company (**"Promoter Support Indemnity**"). The specific period when the Promoters have undertaken to provide the aforementioned indemnity (commencing from the 4th (fourth) year and ending on the 5th (fifth) year of the First Reference Date) shall be referred to as the "**Promoter Support Indemnity Period**". The Promoter Support Indemnity shall be an amount such that the IRR becomes at least 18.00% (eighteen per cent) of the Total Consideration or an amount of INR 20,00,00,000 (Rupees Twenty crore), whichever is less.

103.7 The Promoters shall be required to pay the Promoter Support Indemnity to Investor II within a period of 15 (fifteen) Business Days of receiving a written notice from Investor II. If the Promoters fail to make the payment of the Promoter Support Indemnity within a period of 15 (fifteen) Business Days of receiving a written notice from Investor II, then Investor II shall have the right to instruct the escrow agent to Transfer in favour of Investor II such number of Escrow Shares, at face value, together with the economic interest in such Escrow Shares, the Fair Market Value of which is equivalent to the Promoter Support Indemnity. Pursuant to the Transfer of the Escrow Shares to Investor

II in terms of this Article 103.7, Investor II shall have full power and authority to Transfer and / or Encumber such Escrow Shares.

Any deviation from / breach of any of the provisions contained in this Article 103 by the Promoters shall constitute a material breach of these Articles.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 AM and 5 PM on all Working Days from the date of the Red Herring Prospectus until the Bid / Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated June 28, 2018 executed amongst our Company, the Selling Shareholders, and the BRLMs.

2. Cash Escrow Agreement dated [●] executed amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and the Bankers to the Offer.

3. Share Escrow Agreement dated [●] executed amongst the Selling Shareholders, our Company, the BRLMs and the Escrow Agent.

4. Syndicate Agreement dated [●] executed amongst our Company, the Selling Shareholders, the BRLMs, and the Syndicate Members.

5. Underwriting Agreement dated [●] executed amongst our Company, the Selling Shareholders, and the Underwriters.

6. Ad Agency Agreement dated June 27, 2018, executed between our Company and Concept Communication Limited.

7. Registrar Agreement dated June 27, 2018, executed amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated August 28, 1998, issued by the RoC to our Company in our former name, being MILLTEC Machinery Private Limited.

3. Fresh certificate of incorporation dated March 21, 2018 issued by the RoC to our Company, consequent upon conversion to a public company in the name of MILLTEC Machinery Limited.

4. Resolution of the Board of Directors dated April 5, 2018 in relation to the Offer and other related matters.

5. Resolution of the investment committee of Multiples India dated June 25, 2018, approving its participation in the Offer for Sale.

6. Resolution of the committee of Multiples Mauritius dated June 25, 2018, approving its participation in the Offer for Sale.

7. Letters of consent dated June 25, 2018, issued by each of the Promoter Selling Shareholders, approving the Offer for Sale.

8. Letters of consent dated June 28, 2018, issued by each of the Investor Selling Shareholders, approving the Offer for Sale.

9. Resolution of the Board / IPO Committee dated June 30, 2018, approving the Draft Red Herring Prospectus.

10. Share purchase agreement dated May 15, 2013 executed by and among our Company, MIPL, MOPL, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani.

11. Share purchase agreement dated May 15, 2013 executed by and among our Company, MIPL, MOPL, and

Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa (the "**Milltec Share Purchase Agreement II**") and the amendment agreement to the Milltec Share Purchase Agreement II dated October 11, 2014 executed by and among the Company and the Sellers.

12. Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples Mauritius, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa, and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani.

13. Share purchase agreement dated May 15, 2013 executed by and among our Company, Multiples India, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, Uma Rachappa and V Ramanaiah, Gayathri Devi, VGN Prakash, Jyothi Rani.

14. Shareholders' agreement dated May 15, 2013 executed by and among our Company, and Multiples Mauritius, Multiples India, and Rajendran Joghee, Manjula Rajendran, Ravindranath Ramaiah, and Uma Rachappa, the supplemental agreement to the Shareholders' Agreement dated October 15, 2014, executed by and among our Company, Multiples Mauritius, Multiples India, and the Promoters and the amendment agreement to the shareholders' agreement and supplemental agreement dated June 27, 2018, executed by and among our Company, Promoters, Multiples India and Multiples Mauritius.

15. Share purchase agreement dated May 28, 2018, executed by and among our Company, Ashish Kacholia and Multiples Mauritius.

16. Share purchase agreement dated May 28, 2018 executed by and among our Company, Bengal Finance and Investment Private Limited, Multiples Mauritius and Multiples India.

17. The examination reports of the Statutory Auditor dated June 29, 2018, in relation to our Company's Restated Standalone Financial Information and Restated Consolidated Financial Information.

18. Copies of the annual reports of our Company for the Financial Years 2014, 2015, 2016, 2017 and 2018.

19. Consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an "Expert".

20. The Statement of Tax Benefits dated June 29, 2018 from the Statutory Auditors.

21. Consent of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Legal Counsel to our Company, Legal Counsel to the BRLMs, bankers / lenders to our Company, the BRLMs, the Syndicate Members, Escrow Collection Bank(s), Bankers to the Offer, the Registrar to the Offer, as referred to, in their specific capacities.

22. Due Diligence Certificate dated June 30, 2018 addressed to SEBI from the BRLMs.

23. Consent from CRISIL, dated June 29, 2018 in relation to the industry report titled "*CRISIL Research on Customised study for DRHP of Milltec May 2018*".

24. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

25. Copy of scheme of amalgamation among our Company, MIPL, and MOPL.

26. Tripartite agreement dated May 10, 2018 among our Company, NSDL and the Registrar to the Offer.

27. Tripartite agreement dated April 3, 2018 among our Company, CDSL and the Registrar to the Offer.

28. Employment agreement dated June 5, 2013, and amendment agreement dated March 26, 2018 executed between our Company and Rajendran Joghee.

29. Employment agreement dated June 5, 2013, and amendment agreement dated March 26, 2018 executed between our Company and Ravindranath Ramaiah.

30. SEBI observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

__________________________	**Rajendran Joghee** *(Chairman and Wholetime Director)*
__________________________	**Ravindranath Ramaiah** *(Managing Director)*
__________________________	**Sridhar Sankararaman** *(Nominee, Non – Independent and Non – Executive Director)*
__________________________	**Prakash Kulathu Iyer** *(Non – Independent and Non – Executive Director)*
__________________________	**Prabhakar Tadepalli** *(Non-Executive, Independent Director)*
__________________________	**Rajasekhara Reddy** *(Non-Executive, Independent Director)*
__________________________	**Nirupama Vellore Ganapathy** *(Non-Executive, Independent Director)*
__________________________	**Saravanan Arumugam** *(Non-Executive. Independent Director)*

SIGNED BY CHIEF FINANCIAL OFFICER

____

Ganapathy Subramaniam
(*Chief Financial Officer*)
Place: Bengaluru
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by Rajendran Joghee

____

Place: Bengaluru
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by Ravindranath Ramaiah

____

Place: Bengaluru
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being offered by her in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by Manjula Rajendran

____

Place: Bengaluru
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being offered by her in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by Uma Rachappa

____

Place: Bengaluru
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by itself in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being offered by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed for and behalf of Multiples Private Equity Fund I Limited

____

Name: Dilshaad Rajabalee
Designation: Authorised Signatory
Place: Mauritius
Date: June 30, 2018

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by itself in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being offered by it in the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any of the statements made by our Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed for and behalf of Multiples Private Equity Fund

____

Name: Sudhir Variyar
Designation: Authorised Signatory
Place: Mumbai, India
Date: June 30, 2018