DRAFT RED HERRING PROSPECTUS
Dated September 26, 2015
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
Book Built Issue

G N A AXLES LIMITED

Our Company was incorporated as G N A Axles Limited on September 6, 1993 at Jalandhar as a public limited company under the Companies Act, 1956. Our Company obtained a certificate for commencement of business on April 5, 1994. For further details, please see the section entitled "History and Certain Corporate Matters" on page 133.

Registered Office: GNA House, 1-C, Chhoti Baradari - Part II, Garha Road, Opposite Medical College, Jalandhar 144 001
Corporate Office: VPO Mehtiana, Phagwara-Hoshiarpur Road, District Hoshiarpur 146 001
Tel: 0181 4630 477; **Fax**: 0181 4630 477
Contact Person: Gourav Jain, Company Secretary and Compliance Officer
E-mail: gjain@gnagroup.com**; Website**: www.gnagroup.com
Corporate Identity Number: U29130PB1993PLC013684

OUR PROMOTERS: JASVINDER SINGH SEEHRA, RANBIR SINGH AND GURDEEP SINGH

PUBLIC ISSUE OF UP TO 6,300,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF G N A AXLES LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING UP TO ₹ [●] MILLION ("ISSUE"). THE ISSUE COMPRISES OF A NET ISSUE TO THE PUBLIC OF UP TO 6,100,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] (THE "NET ISSUE") AND A RESERVATION OF 200,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE WILL CONSTITUTE 29.35% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY AND THE NET ISSUE WILL CONSTITUTE 28.42% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE IN: ALL EDITIONS OF THE ENGLISH NATIONAL NEWSPAPER, BUSINESS STANDARD, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER, BUSINESS STANDARD AND THE PUNJABI NEWSPAPER, ROAZANA SPOKESMAN, EACH WITH WIDE CIRCULATION.

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

In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), this is an Issue for at least 25% of the post-Issue capital. The Issue is being made through the Book Building Process, in compliance with Regulation 26(1) of SEBI Regulations, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, up to 200,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price. All potential Bidders, other than Anchor Investors, may participate in the Issue through an Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective bank account which will be blocked by the SCSBs. QIBs (except Anchor Investors) and Non-Institutional Bidders are mandatorily required to utilise the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in the Issue through ASBA Process. For details, please see the section entitled "Issue Procedure" on page 257.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the BRLMs as stated under the section entitled "Basis for Issue Price" on page 75) 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

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

COMPANY'S 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 Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the Registrar of Companies, Chandigarh and Shimla, Punjab and Himachal Pradesh ("**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/Issue Closing Date, please see the section entitled "Material Contracts and Documents for Inspection" on page 318.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
pnb investment services ltd. (A wholly owned subsidiary of Punjab National Bank)	AMBIT Acumen at work	LINK INTIME INDIA PVT LTD
PNB Investment Services Limited 11th Floor, Dalamal House Nariman Point Mumbai 400 021 Tel: 022 4347 4031 Fax: 022 2284 0854 E-mail: gna.ipo@pnbisl.com Investor grievance e-mail: complaints@pnbisl.com Website: www.pnbisl.com Contact Person: Vinay Rane SEBI Registration No.: INM000011617	**Ambit Corporate Finance Private Limited** Ambit House 449, Senapati Bapat Marg Lower Parel Mumbai 400 013 Tel: 022 3982 1819 Fax: 022 3982 3020 E-mail: gnaipo@ambitpte.com Investor grievance e-mail: customerservicemb@ambitpte.com Website: www.ambit.co Contact Person: Sandeep Sharma SEBI Registration Number: INM000010585	**Link Intime India Private Limited** C-13, Pannalal Silk Mills Compound L.B.S Marg, Bhandup (West) Mumbai 400 0078 Tel: 022 6171 5400 Fax: 022 2596 0329 E-mail: gna.ipo@linkintime.co.in Investor grievance e-mail: gna.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]**

**Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid / Issue Opening Date.*
*** Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or it is specified otherwise, 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 under that provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the same meaning ascribed to such terms under the SEBI Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the sections entitled "Statement of Tax Benefits", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" on pages 78, 171, 231and 309, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "G N A"	G N A Axles Limited, a company incorporated under the Companies Act, 1956 and having its registered office at GNA House, 1-C, Chhoti Baradari - Part II, Garha Road, Opposite Medical College, Jalandhar 144 001
Subsidiary	GNA Axles Inc., a subsidiary of our Company. For details of GNA Axles Inc., please see the section entitled "Our Subsidiary" on page 136
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary

Company Related Terms

Term	Description
Articles of Association/ AoA	Articles of Association of our Company
Auditors/ Statutory Auditors	The statutory auditors of our Company being, M/s G.S. Syal & Co., Chartered Accountants
Board/ Board of Directors	Board of directors of our Company (including a duly constituted committee thereof), unless otherwise specified
Corporate Office	Corporate office of our Company situated at VPO Mehtiana, Phagwara-Hoshiarpur Road, District Hoshiarpur 146 001
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
Group Companies	Such companies as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies, please see the section entitled "Our Group Companies" on page 164
Key Management Personnel	Key management personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013 and disclosed in the section entitled "Our Management" on page 138
MoA/ Memorandum of Association	Memorandum of association of our Company
Promoters	Promoters of our Company, namely, Jasvinder Singh Seehra, Ranbir Singh and Gurdeep Singh. For details, please see the section entitled "Our Promoters and Promoter Group" on page 160
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI Regulations and disclosed in the section entitled "Our Promoters and Promoter Group" on page 160

Term	Description
Restated Financial Statements	The financial statements of our Company for the Fiscals 2015, 2014, 2013, 2012 and 2011 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and which have been disclosed in the section entitled "Financial Statements" on page 171
Registered Office	Registered office of our Company situated at GNA House, 1-C, Chhoti Baradari – Part II, Garha Road, Opposite Medical College, Jalandhar, Punjab 144 001
Registrar of Companies/ RoC	Registrar of Companies, Chandigarh and Shimla, Punjab and Himachal Pradesh situated at Corporate Bhavan, Plot No. 4 B, Sector 27 B, Madhya Marg, Chandigarh 160 019
Shareholders	Shareholders of our Company

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Allotment of the Equity Shares pursuant to the Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been, or are to be, Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Ambit	Ambit Corporate Finance Private Limited
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	Final price at which the Equity Shares shall 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 Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion consisting of up to 1,830,000 Equity Shares which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account. ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Issue
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount specified in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Bidders (other than Anchor Investors) in the Issue who intend to submit the Bid through the ASBA process
Banker(s) to the Issue /Escrow Collection Bank(s)	Banks, which are clearing members and registered with SEBI as bankers to an issue, and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue and which is described in the section entitled "Issue Procedure" on page [●]
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI Regulations

Term	Description
Bid Amount	Highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid
Bid cum Application Form	Form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids. It shall be notified in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●]
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and includes an ASBA Bidder and an Anchor Investor
Book Building Process	Book building process, as provided in Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges
Book Running Lead Managers or BRLMs	Book running lead managers to the Issue, being PNB Investment Services Limited and Ambit Corporate Finance Private Limited
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 in terms of the Red Herring Prospectus
Cap Price	Higher end of the Price Band, in this case being ₹ [●] per Equity Share, above which the Issue Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price finalised by our Company in consultation with the BRLMs Only Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Designated Date	Date on which funds are transferred by the Escrow Collection Bank(s) from

Term	Description
	the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board may Allot Equity Shares to successful Bidders/Applicants in the Issue
Designated Stock Exchange	[●]
Draft Red Herring Prospectus/ the DRHP	This Draft Red Herring Prospectus dated September 26, 2015 issued in accordance with the SEBI Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addendum, corrigendum or supplement to it
Eligible Employee	All or any of the permanent and full time employees of our Company as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be an employee of our Company, until the submission of the Bid cum Application Form and is working in India or abroad as on the date of submission of the Bid cum Application Form The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 200,000
Eligible FPIs	FPIs from those jurisdictions outside India where it is not unlawful to make an offer/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) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Employee Reservation Portion	The portion of the Issue being up to 200,000 Equity Shares aggregating up to ₹ [●] million available for allocation to Eligible Employees, on a proportionate basis
Engagement Letters	Engagement Letters dated February 25, 2015 and August 18, 2015 signed by our Company and PNBISL and Ambit, respectively
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	The agreement dated [●] to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and, where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders)
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision thereto, in this case being ₹ [●], at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
General Information Document / GID	General Information Document notified in accordance with the SEBI circular number CIR/CFD/DIL/12/2013 dated October 23, 2013
Issue	Public issue of up to 6,300,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million The Issue comprises of Net Issue and Employee Reservation Portion
Issue Agreement	Agreement dated September 24, 2015 between our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Final price at which Equity Shares will be Allotted in terms of the Red Herring Prospectus. Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date

Term	Description
Issue Proceeds	Proceeds of the Issue that will be available to our Company
Maximum RII Allottees	Maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 61,000 Equity Shares which shall be available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Issue	The Issue less the Employee Reservation Portion being up to 6,100,000 Equity Shares aggregating up to ₹ [●] million
Net Proceeds	Issue Proceeds less the Issue expenses. For further details regarding use of the Net Proceeds and the Issue expenses, please see the section entitled "Objects of the Issue" on page [●]
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares for an amount exceeding ₹200,000 (but not including NRIs, other than Eligible NRIs)
Non-Institutional Portion	Portion of the Issue being not less than 15% of the Net Issue consisting of not less than 915,000 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 Issue Price
Non-Resident/ Non-Resident Indian	An individual resident outside India who is a citizen of India or an "Overseas Citizen of India" cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955 and includes NRIs, FIIs, FVCIs and FPIs
PNBISL	PNB Investment Services Limited
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and a maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/Issue Opening Date, in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation
Pricing Date	Date on which our Company, in consultation with the BRLMs, will finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI Regulations containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) amounting to not more than 50% of the Net Issue consisting of not more than 3,050,000 Equity Shares which shall be available for allocation to QIBs (including Anchor Investors)
Qualified Institutional Buyers or QIBs / QIB Bidder	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI Regulations, which will not have complete particulars of the Issue Price at which the Equity Shares will be offered and the size of the Issue The red herring prospectus will be registered with the RoC at least three days before the Bid/Issue Opening Date
Refund Account(s)	Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be

Term	Description
	made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar to the Issue or Registrar	Link Intime India Private Limited
Registrar Agreement	The agreement dated September 16, 2015 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Retail Individual Investors / Retail Individual Bidders/ RIIs	Individual Bidders, other than Eligible Employees bidding in the Employee Reservation Portion, who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	Portion of the Net Issue being not less than 35% of the Net Issue consisting of not less than 2,135,000 Equity Shares which shall be available for allocation to Retail Individual Investor(s)
Revision Form	Form used by Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI (www.sebi.gov.in/sebiweb.home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time
Syndicate Agreement	The agreement to be entered into between the BRLMs, the Syndicate Members, the Registrar to the Issue, our Company in relation to collection of Bids in the Issue (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
TRS or Transaction Registration Slip	Slip or document issued by the Syndicate, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	[●]
Underwriting Agreement	The agreement dated [●] to be entered into between the Underwriters and our Company
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in New Delhi or Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays in New Delhi or Mumbai in accordance with the circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010 issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
BTKM	Freight traffic is generally measured in terms of billion tonne kilometres (BTKM) which is a product of metric tons and kilometres.

Term	Description
CRISIL	CRISIL Limited
CRISIL Report	Report titled "Axle Shaft and Spindle Market" dated September 2015 issued by CRISIL Research, a division of CRISIL Limited
CV	Commercial vehicles
GVW	Gross vehicle weight
HCV	Heavy commercial vehicles that a have gross vehicle weight more than 6.5 tonnes
HDT	Heavy duty trucks that have gross vehicle weight more than 12 tonnes
ISO/TS 16949:2009	An ISO technical specification aimed at the development of a quality management system that provides for continual improvement, emphasizing defect prevention and the reduction of variation and waste in the supply chain
kVA	Kilo-Volt Ampere
LCV	Light commercial vehicles that have a gross vehicle weight less than 6.5 tonnes
LFO	Large fleet operators that have a fleet size of more than 20
LMDT	Light and medium duty trucks that have a gross vehicle weight more than 3.5 tonnes and less than 12 tonnes
MAV	Multi-axle vehicles
MCV	Medium commercial vehicles
MFO	Mid size operators that have a fleet size more than five and less than 20
MHCV	Medium and heavy commercial vehicles
OEM	Original equipment manufacturers
PFCE	Private final consumption expenditure
SCV	Small commercial vehicles that have a gross vehicle weight of less than 3.5 tons
SFO	Small fleet operators that have fleet size less than five

Conventional and General Terms or Abbreviations

Term	Description
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CSR	Corporate Social Responsibility
CST Act	Central Sales Tax Act, 1956

Term	Description
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
Companies Act	Companies Act, 1956 and/or Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
CY	Calendar year
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant Identification
DP / Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESI Act	Employees State Insurance Act, 1948
Employees' Compensation Act	Employees' Compensation Act, 1923
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed
FCNR Account	Foreign currency non-resident account
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2015-FC-1 dated May 12, 2015, effective from May 12, 2015
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
FIPB	Foreign Investment Promotion Board
Forex	Foreign Exchange
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year

Term	Description
GAAR	General Anti Avoidance Rules
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT Act	The Income-tax Act, 1961
MICR	Magnetic Ink Character Recognition
MW Act	Minimum Wages Act, 1948
Mn	Million
Mutual Fund (s)	Mutual fund 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
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NR	Non-resident
NRE Account	Non Resident External Account
NRI	An individual resident outside India who is a citizen of India or an "Overseas Citizen of India" cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955 and includes NRIs, FIIs, FVCIs and FPIs
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Partnership Act	Partnership Act, 1932
RBI	The Reserve Bank of India
RoNW	Return on Net Worth

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI 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 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 as repealed pursuant to the SEBI AIF Regulations
Securities Act	U.S. Securities Act, 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square feet
STT	Securities Transaction Tax
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UK	United Kingdom
U.S. / USA / United States	United States of America
USD / US$	United States Dollars
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S.", "USA" or "United States" are to the United States of America.

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

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated 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 figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

There are significant differences between Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and we urge Bidders to consult their own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, please see the section entitled "Risk Factors – Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition" on page 31. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons on the financial disclosures presented in this Draft Red Herring Prospectus not familiar with Indian accounting policies, Indian GAAP, the Companies Act, the SEBI Regulations 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 the sections entitled "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditional and Results of Operations" on pages 16, 114 and 218, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "USD" or "US$" are to United States Dollar, the official currency of the United States;
- "Euros" or "€" are to Euros, the official currency of the European Union; and
- "Francs" or "₣" are to Swiss Francs, the official currency of Switzerland.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI 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 other currencies:

(*in* ₹)

Currency	As of March 31, 2015	As on August 31, 2015
1 USD(1)	62.59	66.31
1 Euro(1)	67.51	74.50
1 Francs(2)	64.06	68.66

Source:

(1) RBI Reference Rate, except otherwise specified

(2) www.exchange-rates.org

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 various industry publications and sources. Unless stated otherwise, industry information has been included from the report titled "Axle Shaft and Spindle Market" dated September 2015 issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). For details, please see the section entitled "Industry Overview" on page 81. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based solely on such information.

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. Accordingly, no investment decisions should be made based on such information. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

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 can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans, prospects or goals are also forward-looking statements. Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which is in turn and based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based to be reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, BRLMs nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Moreover, all forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with respect to, but not limited to, regulatory changes pertaining to the industry in India 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 Company's exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation or deflation, unanticipated turbulence in any or all of interest rates or foreign exchange rates or both, equity prices and other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in the competitive environment.

Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Slowdown in the automotive sector, and any adverse changes in the conditions affecting these markets.
- Significant dependence on some of our principal customers;
- Significant dependence on exports to our international customers and risks inherent in international sales and operations;
- Failure to comply with strict quality requirements of our customers and product liabiltity claims, if any;
- Any inability to successfully diversify our product offerings;
- Foreign currency exchange rate fluctuations;
- Volatility in the supply and pricing of our raw materials;
- Expansion of existing capacities has a long gestation period and requires substantial capital outlay before we realize any benefits or returns on investments; and
- Geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business and financial condition.

For further discussion on factors that could cause the actual results to differ from the expectations, please see the sections entitled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16, 114 and 218, respectively.

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

In accordance with the SEBI Regulations, our Company and the BRLMs will ensure that Bidders in India are informed of material developments from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

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, before making an investment in the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section entitled "Forward-Looking Statements" on page 14.

In this Section, unless the context otherwise requires, references to "our Company" or to "the Company" "we" or "us" or "our" refers to G N A Axles Limited. Unless the context otherwise states, the financial information used in this Section is derived from our Restated Financial Statements.

Internal Risk Factors

1. There are certain income tax and indirect tax proceedings pending against our Company. Any adverse determination by the tax authorities in these matters could increase our tax liability and subject us to monetary penalties.

Search and seizure operations were initiated by the Income Tax Department on January 19, 2011 against various members of the GNA group, including our Company, (the **"Search and Seizure"**). The period covered in the search assessment was from assessment year 2005-2006 to assessment year 2012-2013. Pursuant to the Search and Seizure, the Assistant Commissioner of Income Tax has issued assessment orders for the aforementioned period (the **"Assessment Orders"**) disallowing, amongst other things: (i) expenses incurred in relation to foreign tour by all persons not being Directors or employees of our Company, being non-business related expenditure; (ii) 25% of the total expenses on car running and maintenance along with depreciation on cars being used by the Directors and their family members for personal use; and (iii) expenses incurred on credit cards of our Company by the family members of our Directors as they do not relate to expenses incurred in connection with the business of our Company; and these amounts were added to the total income of the Company. The total amount of disallowance under the Assessment Orders is ₹ 7.82 million (the **"disallowance amount"**). Our Company has filed an appeal before the Deputy Commissioner (Appeals) of Income-tax / Commissioner (Appeals) of Income-tax, Ludhiana on April 9, 2013. While the matter is currently pending before the Deputy Commissioner (Appeals), an adverse decision in the matter may result in the Company becoming liable to pay income tax on the disallowance amount under the provisions of IT Act, along with applicable interest, which may adversely affect our financial position and reputation.

In addition, our Company has received 16 show cause notices from various authorities of the Central Excise Division demanding payment of CENVAT credit wrongfully availed by our Company and penalty thereof, under Central Excise Tariff Act, 1985 read with CENVAT Credit Rules, 2004. The aggregate amount involved is ₹ 5.48 million. These cases are at various stages of adjudication and an adverse outcome of the proceedings may have a financial loss to our Company.

For details in relation to certain material litigation, please see the section entitled "Outstanding Litigation and Material Developments" on page 231.

2. Slowdown in the automotive sector, particularly the commercial vehicle segment, and any adverse changes in the conditions affecting the growth of transportation sectors can adversely impact our business, results of operations, financial condition and cash flows.

Our business is heavily dependent on the performance and market trends of the automotive sector, particularly the commercial vehicle market. Our sales of axle shafts and other components are directly related to the production and sales of vehicles and equipments by our major customers specifically in the commercial vehicle segment. Component production and sales may be affected by general economic or industry conditions, including seasonal trends in the automobile manufacturing sector, volatile fuel prices, evolving regulatory requirements, government initiatives, trade agreements and other factors. According to the CRISIL Report, from Fiscal 2005, the commercial vehicles ("**CV**") sales saw steady growth across all vehicle segments except for Fiscal 2009 when it was impacted due to the global financial crisis and post Fiscal 2012, CV sales declined due to slowdown in the Indian economy. Any future economic downturn in the automobile manufacturing and sales, both in India and in other geographies in which we operate, may significantly affect our revenues.

Many OEMs manufacture rear axle shafts in-house or through captive associates or joint ventures and while some OEMs have outsourced axle shaft production, machining operations are still preferred in-house. In case our customers decide to increase captive manufacturing of components manufactured by us, our business, financial condition, results of operations, cash flows and growth may be adversely affected.

3. Our business is dependent on certain principal customers and the loss of, or a significant reduction in, purchases by such customers could adversely affect our business.

Sales to our top five customers, which include Dana Limited, Mahindra & Mahindra Limited and John Deere, contributed 48.77 % of our revenues and sales to our top 10 customers contributed 67.62 % of our total revenues in the Fiscal 2015. The loss of any of our significant customers could have an adverse effect on our business. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are significantly dependent on certain key customers, the loss of any one of such customers or a significant reduction in demand from some of our customers could have an adverse effect on our business, financial condition, results of operations and cash flows.

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

In Fiscal 2015, Fiscal 2014 and Fiscal 2013, our export sales accounted for 47.80%, 35.46% and 33.61%, respectively of our total revenue for such periods.

As a result, our business and financial results are impacted by various risks inherent in international sales and operations, including:

- currency exchange rate fluctuations;
- regional economic or political uncertainty;
- currency exchange controls;
- differing accounting standards and interpretations;
- differing labour regulations;
- differing domestic and foreign custom duties, tariffs and taxes;
- current and changing regulatory environments;
- difficulty in staffing and managing widespread operations;
- coordinating and interacting with local representatives and counterparties to fully understand local business and regulatory requirements; and
- availability and terms of financing.

Our Company has incorporated a wholly owned subsidiary, GNA Axles Inc., in USA on June 15, 2015. The regulatory formalities under FEMA for this investment have not been completed as on the date of this Draft Red Herring Prospectus and there can be no assurance that we will not be subject to any regulatory action as a result.

To the extent that we are unable to effectively manage our global operations, including our future efforts to enter into new markets where we do not have local knowledge and resources, we may be unable to grow or maintain our sales and profitability or we may be subject to additional unanticipated costs and risks. As a consequence, our business, financial condition, results of operations and cash flows may be adversely affected.

5. Our customers may terminate supply contracts before completion or choose not to renew contracts, which may adversely affect our business and results of operation.

Our customers have high and exacting standards for product quality and delivery schedules. Any failure to meet a customer's expectations could result in the cancellation or non-renewal of contracts. Generally, our contracts with customers do not bind our customers to provide us with a specific volume of business and can be terminated by them with or without cause, with little advance notice and without compensation. Typically, we enter into a master/umbrella agreement with a customer and products are delivered under specific purchase contracts. There is, however, no commitment on the part of the customer to pass on new purchase contracts to us, except in certain customer agreements. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, change their outsourcing strategy by moving more work in-house or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition and results of operations. Further, majority of our long-term contracts have warranty and product liability clauses, pursuant to which we warrant or guarantee our products in terms of quality, performance, timely delivery and in accordance with specifications, designs, drawings and descriptions furnished by customers. Failure to comply with these provisions may lead to invocation of warranties or product liabilities leading to monetary loss or investment of time and resources in curing the non-conformities. In some cases, the customers may even withdraw the orders or cancel the agreements which may adversely affect our revenue and relationship with the customer.

6. Price pressures from customers may adversely affect our business.

Downward pricing pressures by automotive manufacturers are a characteristic of the industry we operate in. Virtually all automakers pursue aggressive price reduction initiatives and objectives each year with their suppliers, and such actions may continue in the near future, due to factors outside of our Company’s control. In addition, estimating such amounts is subject to risk and uncertainties as any price reductions are a result of negotiations and other factors. Accordingly, suppliers must be able to reduce their operating costs in order to maintain profitability. Such price reductions may affect our sales and profit margins. If we are unable to offset customer price reductions in the future through improved operating efficiencies and other cost reduction initiatives, our business, financial condition and results of operations would be adversely affected.

7. The discontinuation of, the loss of business with respect to, or lack of commercial success of, a particular segment of our automotive and non-automotive customers for which we are a significant supplier could affect our business, financial condition, results of operations and cash flows.

Although we have generally supplied our products to our customers for a long period of time, our supply contracts do not provide for the purchase of a minimum quantity of products. Additionally, terms of purchase contracts with our customers do not provide for any compensation if there is any shortfall in demand for the relevant vehicle model being manufactured leading to a consequent reduction in the demand for our products. The discontinuation of, loss of business with respect to, or lack of commercial success of a particular segment of our current customers could reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Demand for particular automotive or non-automotive vehicles and equipments may fluctuate from time-to-time, which could have an adverse effect on our business, financial condition, result of operations and cash flows.

8. Our failure to identify and understand evolving industry trends and preferences and develop new products to meet our customers' demands 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 will be a significant factor in our ability to remain competitive. 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.

To compete effectively in the manufacturing of axles and forging industry, we must be able to develop and produce new products to meet our customers' demand in a timely manner. We cannot assure you, however, that we will be able to install and commission the equipment needed to produce products for new product programmes of our customers in time for the start of production, or that the transitioning of our manufacturing facilities and resources to full production under new product programmes will not impact production rates or other operational efficiency measures at our facilities. In addition, we cannot assure you that our customers will execute on schedule the launch of their new product programs for which we might supply products. Our failure to successfully develop and produce new products, or a failure by our customers to successfully launch new programmes, could adversely affect our results of operations.

9. ***We do not own the trademark used by us and our use of this trademark is restricted to certain products.***

The GNA trademark appearing on the cover page of this DRHP (the "**GNA Trademark**") is not owned by us. We have obtained non-exclusive rights to use the GNA Trademark from GNA Sons, a partnership firm with certain members of our Promoters Group as partners, through an agreement dated May 20, 2002 (as amended through the supplementary agreements dated April 12, 2006 and September 12, 2011) for a royalty of 0.15% of the sale value of our products (as assessed under the Central Excise Act). This agreement expires on March 31, 2016 and there can be no assurance that we will be able to renew this agreement on the same terms or at all.

The GNA Trademark is important for our business. We cannot assure you that we will continue to have the uninterrupted use and enjoyment of the GNA Trademark. Further, any infringement of the GNA Trademark by third parties, for which we may not have any immediate recourse, may adversely affect our ability to conduct our business as well as our affect our reputation, and consequently, our results of operations.

Further, GNA Sons received the license to use the GNA Trademark from Guru Nanak Auto Enterprises Limited (**"GNAEL"**) through a deed of assignment dated October 18, 1999 and deed of agreement dated October 19, 1999. These deeds provide for shared rights to use the GNA Trademark and place restrictions on GNA Sons from using the GNA Trademark for manufacturing certain products or autoparts including rear axle shafts for supply to OEMs for LCVs and MCVs, brake systems and parts thereof, engine bearings, bushes and thrust washers, engine valves, clutch plates, pistons, piston rings and cylinder liners, torsion bar and assembly, engine cam shafts, crank shafts, connecting rods and parts for two and three wheelers (**"Specified Products"**). Further, the GNA Trademark was split between GNA Sons and GNAEL through a letter dated March 29, 2000 issued by Trade Marks Registry, Mumbai.

In view of the above, our ability to introduce Specified Products as a part of our portfolio under the GNA Trademark in the future is restricted. In addition, GNAEL is entitled to use the GNA Trademark for supplying rear axle shafts in export markets and to state transport undertakings which may overlap with our business prospects. Further, we understand that GNAEL owns a logo similar to our Company's logo. There can be no assurance that the above will not create confusion in the minds of our customers about the identity of our Company and its products. If any of such events occur, they may affect our business, goodwill and results of operations.

10. ***Our inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations.***

We require certain statutory and regulatory approvals, licenses, registrations and permissions, and applications need to be made at the appropriate stages for our business to operate. Our Company has made applications for grant of licenses to concerned authorities, including renewal of factory licenses for our Gulabgarh and Mehtiana facilities, which have not been renewed yet. Even though we have never been denied grant/renewal of the licences under application, any rejection of pending approvals may have an adverse effect on our operations, to the extent of stoppage of production. In addition, in our manufacturing of auto component business, government delays in obtaining approvals may result in cost increases in the price of raw materials from original estimates which cannot generally be passed on to customers and may also adversely affect our ability to mobilize our equipment and manpower.

There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. We may experience delays in obtaining financial closures, locking in interest rates under loan agreements, or completing work according to schedules. As a result, we may not be able to execute our business plan as planned. An inability to obtain or maintain approvals or licenses required for our operations may adversely affect our operations. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Furthermore, approvals, licenses, clearances, and consents covering the same subject matter are often required at both the Government and State Government levels. If we fail to comply, or a regulator claims that we have not complied, with these conditions, we may not be able to commence or continue with work or operate these projects. For further information on various approvals or licenses required in connection with our operations, please see the section entitled "Government and Other Approvals" on page 236.

11. Our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.

The Net Proceeds of the Issue shall be deployed towards capital expenditure, meeting working capital requirements and general corporate purposes. For more details, please see the section entitled "Objects of the Issue" on page 68. The proposed deployment of the Net Proceeds of the Issue is based on management estimates, current quotations from suppliers and our current business plan, and has not been appraised by a monitoring entity. We may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at the discretion of our Board. Further, current quotations from suppliers are only valid for limited periods and there can be no assurance that we will be able to purchase equipment on the rates provided in such quotations. Given the proposed size of the Issue, our Company is not required to appoint a monitoring agency for monitoring the use of Issue proceeds under the SEBI Regulations. Accordingly, the deployment of the Net Proceeds of the Issue shall be entirely at the discretion of the Board and will not be subject to any monitoring by an independent agency.

12. Trade constraints between the countries we export to and India may adversely affect our business and results of operation.

Most of our customers operate across diverse geographies and we supply our products to customers in various countries. For example**,** we supply our components to countries including USA, Sweden, Turkey, Brazil, Italy, Germany, Spain, Mexico, Japan, UK, France, China and Australia. An average of approximately 39.31% of our revenue of operations over the preceding three Fiscals has been from export sales. Thus, any change in the political or economical scenario in such countries or their economic and trade relation with India, change in sales strategy of our customers in such countries, change in demand for our products in such countries, or imposition of trade embargo on such countries by India or vice-versa, may have an adverse effect on our business and operations.

13. Conflicts of interest may arise out of common business objects between our Company and certain of our Promoters' companies.

Our Promoters have interests in other companies that may undertake the same business as our Company. For example, GNA Duraparts Limited, GNA Udyog Limited, Amarsons Automotives Limited and Guru Nanak Transmission Punjab Limited ("**Promoter Group Companies**"), companies in which our Promoters have an interest, are authorized to carry out or engage in business similar to that of our Company and serve the same customers, including in one instance where our Company and GNA Duraparts Limited supply different components to a customer under the same agreement. Conflicts of interests may arise in the Promoters allocating or addressing business opportunities and strategies among our Company and Promoter Group Companies in circumstances where our respective interests diverge. In cases of conflict, there can be no assurance that our Promoters will not favour any of the Promoter Group Companies or vice-versa. Our Promoters have not signed any non-compete agreement with our Company as of date and in any event, we cannot assure you that such agreements are enforceable under Indian law. Any such present and future conflicts, or situations where our Promoters decide to conduct business through such Promoter Group Companies, could have a material adverse effect on our business, reputation, financial condition and results of operations.

14. Product liability claims and costs incurred as a result of product recalls or other reasons could harm our business, financial condition and results of operations.

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. Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers like ourselves become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers for contributions when faced with product recalls, product liability or warranty claims. Majority of the agreements with our customers provide for such product liability provisions wherein we may be responsible for indemnification for loss, liability, cost and expense arising out of a claim that a defect in the design or manufacture of the products, including defects in material or manufacturing processes or techniques, caused personal injury or loss of, destruction or damage to property. Thus, our Company may have to indemnify costs in full in case the customer decides to perform a recall due to a potential risk of a product manufactured and supplied by our Company causing personal injury of property damage due to a part being a faulty part. In case the Customer agrees to reimburse its end customer due to a part failure or non-conformity, our Company is obliged to negotiate with the Customer in good faith for reimbursement of these expenses on a case-to-case basis. Even though our Company has product liability insurance, holding of such insurance does not relieve our Company's liability and we shall be liable until the claim is duly settled.

15. High days of sales outstanding (i.e. the average period for which the sales invoice remains outstanding) may increase our collection risk and working capital requirements, which could adversely affect our liquidity.

We typically receive payments for our sales in an average of 60 to 75 days for our domestic sales and within 120 to 150 days from our export customers. The average period for which the sales invoice remains outstanding may increase due to various factors including the general economic condition and condition of our customers. As the typical collection cycle for our Company's export sales is much longer, with an increase in export sales of our Company, the total average number of days for which our receivables will remain outstanding may increase. Our inability in the future to accelerate the realisation of receivables could adversely affect our cash flows and liquidity.

16. Our Company has certain outstanding borrowings which have been secured by our Company's assets and such loan agreements contain restrictive covenants.

As on March 31, 2015, our Company had total outstanding borrowings aggregating to ₹ 1532.17 million. Further, some of the loans are repayable on demand and in case of failure to repay them within the stipulated time, our Company's assets, including immovable properties and amounts receivable from our customers, would be held as charge by our lending banks. These assets may be secured by the banks at any time in case the Company fails to repay the loan amount on demand, which may have an adverse effect on the financial standing of our Company. In addition, some of our Promoters and Directors have provided personal guarantees against the loans and in the event the Company fails to repay the loans on demand, they may be liable to the extent of the unpaid amount.

Further, the loan agreements entered into by our Company contain restrictive covenants such as maintaining certain financial ratios including current asset cover. For details of our borrowings, please see the section entitled "Financial Indebtedness" on page 217. Any such restrictions or any event of default under such loan agreements may limit our ability to undertake certain transactions and may adversely affect our business, financial condition and results of operation.

17. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

As of March 31, 2015, 97.80% of our consolidated borrowings were at floating rates which are required to be reset on a periodic basis. If the interest rates of our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely affect our results of operations, planned expenditures and cash flows.

18. We are dependent on third party logistics providers for the supply of raw materials and delivery of our products.

We normally use third party logistic providers for the supply of our raw materials and for deliveries of finished products to our domestic and overseas customers. Such logistics providers are arranged on spot basis and in majority of cases, such logistics suppliers are arranged by our customers and we have no direct control on their services. Any disruptions or delays in transportation due to factors such as strikes, bad condition of roads, non-performance or deficiency in services by transporters could have an adverse effect on our supplies and deliveries to our customers. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operation.

19. Our manufacturing activities can be hazardous and can cause injury to people or property in certain circumstances.

Our business requires individuals to work under potentially hazardous circumstances, with volatile and often highly flammable and dangerous materials. If improperly handled or subjected to unsuitable conditions, hot metal can seriously hurt or even kill employees or other persons, and cause damage to our properties and the properties of others. This could subject us to disruptions in our business and expose us to legal and regulatory costs and liabilities, which could adversely affect our results of operations, financial condition and reputation.

20. Our continued operations are critical to our business and any shutdown of our manufacturing facilities due to electricity outages or otherwise may have an adverse effect on our business and financial results.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. For instance, we require substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. The total energy cost to our Company was ₹ 300.89 million for the Fiscal 2015. We source our electricity requirements from Punjab State Power Corporation Limited and have installed our own 66 kVA sub-stations for both of our units. 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. The cost of such purchased power would be significantly higher, thereby adversely affecting our cost of production and profitability. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

Also, if one or more of our customers were to experience a work stoppage, that customer may halt or limit purchases of our products which could result in the shut down of the related manufacturing facilities. The assembly lines of our customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, certain of our customers impose significant penalties on component manufacturers like us for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered.

Our business and financial results may be adversely affected if energy costs were to rise, electricity supplies or supply arrangements were disrupted or by any other disruption of operations of our product lines, including as a result of any of the factors mentioned above.

21. Our business and financial results could be adversely affected by strikes or work stoppages by our employees or employees of our customers.

Strikes or work stoppages can adversely affect the results of our operations and reputation. In addition, many of our customers have unionised work forces. Work stoppages or slow-downs experienced by us could result in slow-downs or closures of our units or assembly plants where our products are manufactured. In the event that one or more of our customers experiences a work stoppage, such work stoppage could have an adverse effect on our business, financial condition or results of operations.

22. We might infringe the intellectually property rights of others, any misappropriation of which, could harm our competitive position.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing 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 such claims are raised, those claims could: (a) adversely affect our relationships with current or future customers; (b) result in costly litigation; (c) cause product shipment delays or stoppages; (d) divert management's attention and resources; (e) subject us to significant liabilities; (f) require us to enter into potentially expensive royalty or licensing agreements; and (g) require us to cease certain activities. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could adversely affect our business, results of operations and financial conditions.

In addition, in certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customer's intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, financial condition and results of operations and damage our reputation.

23. Our operating results may be adversely affected by environmental and safety regulations to which we are subject to.

We are required to comply with central, state, local and foreign laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials into soil, air or water, and the health and safety of employees. We are also required to obtain and comply with environmental permits for certain of our operations. There can be no assurance that we will at all times be in complete compliance with such laws, regulations and permits. If we violate or fail to comply with these requirements, we could be fined or otherwise sanctioned by the relevant regulators. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition or results of operations. In addition, these requirements may become more stringent over time and there can be no assurance that we will not incur significant environmental costs or liabilities in the future. We are also subject to laws requiring the clean-up of contaminated property. Under such laws, we could be held liable for costs and damages relating to contamination at our facilities and at third-party sites to which these facilities send waste material, which could have an adverse effect on our business and results of operation.

24. We are highly dependent on our management team and certain key personnel.

Our business, the implementation of our strategy and success is dependent upon our key management team including our Promoters and Executive Directors, who oversee our day-to-day operations, strategy and growth of our business. If any members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects, financial condition and results of operations could be adversely affected.

In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified management personnel. Our failure to successfully manage our personnel needs could adversely affect our business prospects, financial condition and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business prospects, financial condition and results of operations could be adversely affected.

25. Our inability to attract, recruit and retain skilled personnel could adversely affect our business and results of operations.

Our ability to meet future business challenges depends on our ability to attract, recruit and retain talented and skilled personnel. A significant number of our employees are skilled engineers and we face strong competition to recruit and retain skilled and professionally qualified staff. Owing to the limited pool of available skilled personnel, competition for senior management and skilled engineers in our industry is intense.

We may experience difficulties in attracting, recruiting and retaining an appropriate number of managers and engineers for our business needs. We may also need to increase our pay structures to attract and retain such personnel. Our future performance will depend upon the continued services of these persons. Our inability to manage the attrition levels in different employee categories may adversely affect our business and results of operations.

26. ***Our Promoters, Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters are interested in us to the extent of their shareholding in our Company and the dividend entitlements from it. In addition to the remuneration paid for services and reimbursement of expenses to our Directors and Key Management Personnel for services rendered as our Directors and Key Management Personnel, our Promoters, Directors and Key Management Personnel may also be interested to the extent of any transaction entered into by us with any other company or firm in which they are shareholders, directors or partners. For example, we pay an annual royalty of 0.15% of the sale value of our products to GNA Sons, a partnership firm in which our Directors, Mr. Rachhpall Singh and Mr. Gursaran Singh are partners, as consideration for the use of the GNA trademark. For further details of such related party transactions, please see the section entitled "Financial Statements – Annexure: XXI" on page 203.

27. ***We have had negative cash flows from our investing and financing activities in recent periods. Our inability to sustain adequate cash flows in the future may adversely affect our business, results of operations and financial condition.***

Our Company has experienced negative net cash flows from our investing and financing activities in the recent periods as indicated below:

Particulars	For the Fiscal (Amount in ₹ million)				
	2015	2014	2013	2012	2011
Net cash generated/(used in) investing activities	(144.58)	(608.73)	(543.21)	(230.43)	(142.89)
Net cash generated from/(used in) financing activities	(126.48)	239.72	148.89	(52.16)	(64.84)

For further details of our cash flows, please see section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 218 and section entitled "Financial Information" on page 171. Any such negative cash flows in future may affect our ability to sustain adequate cash flows and may have a material adverse effect on our business, financial condition and results of operations.

28. ***Some of our Group Companies have incurred losses in the last three preceding Fiscals and some of the corporate records of one of our Group Companies are not traceable.***

Our Group Companies GNA Udyog Limited and Amarsons Automotives Limited have incurred losses during the last three Fiscals immediately preceding the date of this Draft Red Herring Prospectus, as detailed below:

Sr. No.	Name of the entity	Profit/(Loss) (Amount in ₹ million)		
		For the Fiscal		
		2015	2014	2013
1.	GNA Udyog Limited	(27.50)	(8.95)	6.44
2.	Amarsons Automotives Limited	(Negligible)	(Negligible)	-

For further details, please see the section entitled "Our Group Companies" on page 164. There can be no assurance that these or any of our other Group Companies will not incur losses in future periods or that there will not be an adverse effect on our Company's reputation or business as a result of such losses. Further, one of our Group Companies, Gurunanak Transmission Punjab Limited, is unable to locate its certificate of commencement of business issued by the RoC.

29. *Currency exchange rate fluctuations could have an adverse effect on our results of operations.*

We have currency exposures related to our revenues, expenditures and financing in currencies other than the local currency in which we operate. Further, we also import various equipment for our facilities for which we make payment in foreign currency. Our Company has availed a packing credit facility in foreign currency amounting to USD 7.03 million for its working capital requirements. The exchange rate between the Indian Rupee and these currencies, primarily the USD, has fluctuated in the past and our results of operations and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. In addition, our export revenues may fluctuate due to change in foreign currency exchange rates, which may not be ascertainable in advance and may have an adverse effect on our business.

In the event exchange rates of foreign currencies fluctuate and we are not able to revise the prices our products sold to export customers immediately or at all, we may not be able to pass such losses to our customers and our business, financial condition, results of operations and cash flows may be adversely affected.

30. *We may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation.*

Our business involves many risks and hazards which may adversely affect our profitability, including breakdown, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee frauds, infrastructure failure and terrorist activities.

Our insurance may not provide adequate coverage in these circumstances including those involving claims by third parties and litigation and is subject to certain deductibles, exclusions and limits on coverage. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

31. *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 know-how is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some know-how is protected only by secrecy. As a result, we cannot be certain that our know-how will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect the confidential technical knowledge of our products and business, there is still danger that such information may be disclosed to others or become public knowledge in circumstances beyond our control. In the event that the confidential technical information or know-how in respect of our products or business becomes available to third parties or to the public, our competitive advantage over other companies in the manufacturing automotive component sector, particularly axles and spindles, could be harmed, which could have an adverse effect on our business, future prospects, financial conditions and results of operations.

32. *Reduction in Government incentives available to us and inability to meet export obligations under the EPGC scheme could have an adverse effect on our results of operations.*

We avail certain benefits and incentives from the Government for our exports. These are in the form of relief of customs and central excise duties on inputs used in the manufacture of export products under the Duty Drawback Scheme, relief of duties on import of capital goods including spares for pre-production, production and post-production under the EPGC Scheme and duty credits on the 'free on board' value of exports in foreign exchange under the Focussed Market Scheme. There can be no assurance that we will continue to avail of these incentives in the future, either due to withdrawal of the above schemes by the Government or our inability to meet export obligations under any of the above schemes, which may adversely affect our results of operations.

External Risk Factors

33. Our business is vulnerable to downturns in the general economy and industries in which we operate or which we serve. A global economic downturn could adversely affect our business, financial condition and results of operations.

Our financial condition and results of operations depend significantly on worldwide economic conditions, as demand for our products depends on the general economy and level of activity and growth in the industries where we operate or serve. Unfavourable financial or economic conditions, such as the sovereign-debt crisis in the European Union, the continued weakness and uncertainty regarding the durability of the emerging economic recovery, have adversely affected the global economy. In addition, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, unemployment, consumer confidence, declining asset values, capital market volatility and liquidity issues have created difficult operating conditions for us in the past and may continue to do so in the future. Uncertainty about future economic conditions makes it challenging for us to forecast our results of operations, make business decisions and identify risks that may affect our business. If we are not able to timely and appropriately adapt to changes resulting from the difficult macroeconomic environment, our business, results of operations and financial condition may be adversely affected.

Our business is adversely affected by decreases in the general level of economic activity, such as decreases in business and consumer spending, transportation, manufacturing activity and the financial strength of our customers in the automotive and other sectors such as construction, oil and gas, other infrastructure or defence sectors. We are unable to predict the likelihood of occurrence and severity of any global or regional economic crises, slowdown or downturn in general economic condition. Global financial slowdown, volatility and uncertainty could have a number of follow-on effects on our business. Such factors may cause decrease in demand for automotive and non-automotive vehicles, insolvency of our key customers, and adversely affect their inability to obtain credit or make payments for products they have already received. If conditions become more severe or continue longer than we anticipate, or if we are unable to adequately respond to unforeseeable changes in demand resulting from economic conditions, our financial condition and results of operations may be adversely affected.

34. Changing laws, rules and regulations and legal uncertainties may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. For further details, please see the section entitled "Regulations and Policies" on page 129. We cannot assure you that the Central Government or state Governments in India will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. We cannot predict the terms of any new policy, and we cannot assure you that such policy will not be onerous.

SEBI has recently notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the "**2015 Insider Trading Regulations**") which came into effect on May 14, 2015 and replaced the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The 2015 Insider Trading Regulations are more stringent than the existing regulations and we may have to incur cost to ensure compliance with the same. Further, any non-compliance with the 2015 Insider Trading Regulations may result in regulatory action, such as penalties, against us. Any changes and related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations, including delays in commissioning schedule of our projects.

Further, the Government of India passed the Finance Act, 2015 following the President's assent on May 14, 2015. The Act has brought about new amendments in direct and indirect tax regimes. The amendments will be effective as per notifications in the official gazette. As such, there is no certainty on the impact that the Finance Act, 2015 may have on our business and operations or on the industry that we operate in.

35. Changes in legislation or the rules relating to tax regimes could an adversely affect our business, prospects and results of operations.

Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations. We currently have operations and staff spread across nine states in India. Consequently, we are subject to the jurisdiction of a number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on different bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The applicable categories of taxes and tax rates also vary significantly from state to state, which may be adjusted from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see the section titled "Outstanding Litigation and Material Developments" on page 231. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government or State Governments that affect our industry include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Although most of our agreements provide for compensation due to changes in law, which includes changes in tax laws, any adverse changes in any of the taxes levied by the Government or State Governments could adversely affect our competitive position and profitability.

The Government has proposed to alter the implementation of direct taxes by way of introduction of the Direct Taxes Code, 2013. The Direct Taxes Code, 2013 proposes to consolidate and amend laws relating to income tax and wealth tax The Government has indicated in the union budget for the Fiscal 2016 that Direct Tax Code shall not be pursued further. Further, the Government has announced the union budget for the Fiscal 2016 and the Finance Bill, 2015 have been tabled before the Parliament. However, the Finance Act has not yet been passed by the Parliament. As such, there is no certainty on the impacts that the Finance Bill, 2015 may have on our business and operations or on the industry that we are in.

Additionally, the Government has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the central and state governments into a unified rate structure, which is proposed to be effective from April 1, 2016. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules ("**GAAR**") which was to come into effect from April 1, 2015, has been deferred for two years to April 1, 2017. It is also proposed that the relevant rules be amended to protect investments made up to March 31, 2017 from the applicability of GAAR. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

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

36. ***Our business and activities are regulated by the Competition Act, 2002, ("Competition Act") and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operation.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is considered to be void and attracts substantial monetary penalties.

Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, supply markets, technical development, investment or provision of services, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (which were further amended on March 28, 2014), which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operation and prospects.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either suo moto or pursuant to any complaint, for alleged violation of any provisions of the Competition Act may adversely affect our business, financial condition and results of operation.

37. Political instability or changes in the Government or in the government of the states where we operate or significant changes in the liberalization polices or the conditions of the Indian economy could adversely affect our business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Further, our business is also impacted by regulations and conditions in the various states in India where we operate. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India. In recent years, India has been following a course of economic liberalization and our business could be significantly influenced by economic policies followed by the Government.

However, we cannot assure you that such policies will continue in the future. Government corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the automotive component manufacturing sector, foreign investment, currency exchange rates and other matters affecting investment in India could change as well. A significant change in India’s economic liberalization and deregulation policies, in particular those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our businesses in particular.

38. ***A substantial portion of our revenue is derived from our domestic sales in India, and a decline in economic growth in India could adversely affect our business.***

In Fiscal 2015, our domestic sales contributed approximately 51.67% of our revenue from operations and so the performance and the growth of our business are dependent on the performance of the Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, high inflation rates and various other factors.

Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. The GDP growth rate of India has declined to 4.5% in the Fiscal 2013 and 4.7% in the Fiscal 2014. *(Source: Indian Economic Survey 2013-14, Ministry of Finance, Government of India)* Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares.

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

Capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT, has been paid on the transaction. STT will be levied on and collected by an Indian stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of equity shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares. For details, please see the section entitled "Statement of Tax Benefits".

40. ***Our ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Regulatory restrictions may limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our ability to raise foreign capital, which in turn may affect our business, prospects, financial condition and results of operation.

41. ***Force majeure events, terrorist attacks or war or conflicts involving India, the United States or other countries could adversely affect the financial markets and adversely affect our business.***

Any major hostilities involving India, the United States or other countries or other acts of violence including civil unrest or terrorist attacks, or events that are beyond our control, could have an adverse effect on the operations of services provided in India. Acts of violence may adversely affect global equity markets as well as the Indian economy and stock markets where our Equity Shares will trade. Such acts will negatively affect business sentiment as well as trade between countries, which could adversely affect our business and profitability. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business. Military activity or terrorist attacks could adversely affect the Indian economy by disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have an adverse effect on the market for securities of Indian companies, including the Equity Shares, and on the market for our services.

42. 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, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. 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 the Equity Shares.

43. The Indian economy has had sustained periods of high inflation.

The majority of our direct costs are incurred in India. In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. We may experience inflations-driven increases in certain of our costs, such as salaries, travel costs and related allowances, which are typically linked to general price levels. However, we may not be able to increase the tariffs that we charge for our products and our services sufficiently to preserve operating margins. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operation and financial condition.

44. The market price of our Equity Shares may fluctuate due to developments in Indian and global economy and the volatility of the Indian and global securities market and you may not be able to sell the Equity Shares at or above the Issue Price or at all.

The trading price of the Equity Shares may fluctuate due to a variety of factors, including our results of operation and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors and the perception in the market about investments in the automotive component manufacturing sector, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn globally has adversely affected market prices in the world's securities markets, including the Indian securities markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on sovereign debt, in other emerging market countries may affect investor confidence and cause increased volatility in global securities markets and director or indirectly affect the global economy in general, including India. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of the Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of the Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of the Equity Shares.

45. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control over us, 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. 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. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of us.

46. Public companies in India, including our Company, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is very recent and still unclear and our Company may be negatively affected by such transition.

Our financial statements, including the Restated Financial Statements included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the Companies Act, 2013 and the SEBI Regulations. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP.

Public companies in India, including our Company, are required to prepare annual and interim financial statements under Indian Accounting Standard 101 "First-time Adoption of Indian Accounting Standards" ("**Ind AS**"). On January 2, 2015, the Ministry of Corporate Affairs, Government of India (the "**MCA**") announced the revised roadmap for the implementation of Ind AS for companies other than banking companies, insurance companies and non-banking finance companies through a press release. On February 16, 2015, the MCA issued the Companies (Indian Accounting Standards) Rules, 2015 (the "**Indian Accounting Standard Rules**") to be effective from April 1, 2015. The Indian Accounting Standard Rules provide for voluntary adoption of Ind AS by companies in Fiscal 2015 and, implementation of Ind AS will be applicable from April 1, 2016 to companies with a net worth of ₹ 5,000 million or more. Accordingly, our Company may have to convert its opening balance sheet as on April 1, 2016 in accordance with Ind AS. Further, our Company may also be required to convert its balance sheet as of April 1, 2015 in accordance with Ind AS for preparing comparable financial statements for the previous year.

Additionally, Ind AS differs in certain respects from IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. There can be no assurance that our Company's financial condition, results of operation, cash flow or changes in shareholders' equity will not be presented differently under Ind AS than under Indian GAAP or IFRS. When our Company adopts Ind AS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Our management may also have to divert its time and other resources for successful and timely implementation of Ind AS. There can be no assurance that the adoption of Ind AS by our Company will not adversely affect its results of operation or financial condition. Any failure to successfully adopt Ind AS in accordance with the prescribed timelines may have an adverse effect on the financial position and results of operation of our Company.

47. Statistical and financial industry data in this Draft Red Herring Prospectus may be incomplete or unreliable.

We have not independently verified data from industry publications and other third party sources and therefore cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, discussions of matters relating to India, its economy in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. In addition, internal company reports have not been verified by independent sources and may be incomplete or unreliable.

48. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described in the section entitled "Basis for Issue Price" on page 75 and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

49. The Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for the Equity Shares. The price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price.

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Moreover, the Issue Price is intended to be determined through a book-building process and may not be indicative of the price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the automotive component manufacturing sector in India, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

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

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

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

Prominent Notes

1. Issue of up to 6,300,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million by our Company. The Issue comprises of a Net Issue of 6,100,000 Equity Shares to the public aggregating up to ₹ [●] million and a reservation of 200,000 Equity Shares aggregating up to ₹ [●] million for subscription by Eligible Employees. The Issue would constitute 29.35% of our post-Issue paid-up Equity Share capital and the Net Issue to the public would constitute 28.42% of our post-Issue paid-up Equity Share capital.

2. As of March 31, 2015, our Company's net worth was ₹ 1,126.57 million as per the Restated Financial Statements.

3. As of March 31, 2015, the net asset value per Equity Share was ₹ 74.29 as per the Restated Financial Statements.

4. The average cost of acquisition of Equity Shares by our Promoters is as follows:

Name of the Promoter	Average cost of acquisition of Equity Shares
Jasvinder Singh	₹ 0.50 per Equity Share
Ranbir Singh	₹ 0.50 per Equity Share
Gurdeep Singh	₹ 0.50 per Equity Share

For further details, please see the section entitled "Capital Structure" on page 58.

5. Except as stated in the sections entitled "Our Group Companies" and "Related Party Transactions" on pages 164 and 169, respectively, our Group Company does not have any business or other interest in our Company.

6. For details of related party transactions entered into by our Company with the Group Companies during the last Fiscal, the nature of transactions and the cumulative value of transactions, please see the section entitled "Related Party Transactions" on page 169.

7. There has been no financing arrangement whereby our Promoter Group, our Directors and their relatives have financed the purchase of Equity Shares by any other person during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

8. Except as disclosed in the section entitled “History and Certain Corporate Matters” on page 133, there has not been any change in the name of our Company at any time during the last three years immediately preceding the date of this Draft Red Herring Prospectus. There has been no change in the object clause of our Memorandum of Association since incorporation.

9. Bidders may contact the Book Running Lead Managers for complaints, information or clarifications pertaining to the Issue. All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations where the Bid cum Application Form is submitted by the ASBA Bidder. For contact details of the Book Running Lead Managers and the Registrar to the Issue, please see the section entitled “General Information” on page 49.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*The information in this section is derived from reports of various government agencies, market research reports and other publicly available sources. This data may have been reclassified by us for the purpose of presentation. Unless stated otherwise, information in this section has been included from the 'Axle Shaft and Spindle Market" dated September 2015 issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions. Please also see the section entitled "Industry Overview" on page 81.*

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). 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 company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in 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.

Overview of the Indian Economy

The size of the Indian economy was ₹125.41 trillion in 2014-15, of which the services sector contributed around 52.5%, industry around 31.3% and remaining 16% was agriculture. During the last ten years, the GDP has grown at a CAGR of 7.9% with services leading the growth at an average 9%, followed by industrial growth at 8% while agriculture has only grown at 3.6% CAGR in the same period.

Post 2011-12, economic growth plunged due to slowdown in investments, high inflation and weak consumer sentiments. The average growth during 2011-12 and 2012-13 was a meagre 5.7%, which came down from around 9% in the earlier years. However, in the last two years there has been a recovery in GDP growth which is expected to continue in future.

In 2015-16, economic growth is expected to be primarily led by industrial activity as revival in service and agricultural sectors would remain fragile. Low inflation (due to lower oil prices) and improving income visibility will support this growth. From an average US$64.1/barrel in May 2015, the price of Brent crude oil touched a low of US$45/barrel in August 2015. Global crude oil prices are expected to average US$60-65/barrel in 2015-16, as compared with US$85/barrel in 2014-15, which will ease inflation. This would support consumption as lower inflation would result in greater real purchasing power. CPI inflation is expected to average 5.8% in 2015-16, down from 6% in 2014-15.

Automobile Production

Domestic Market - India

Commercial Vehicle

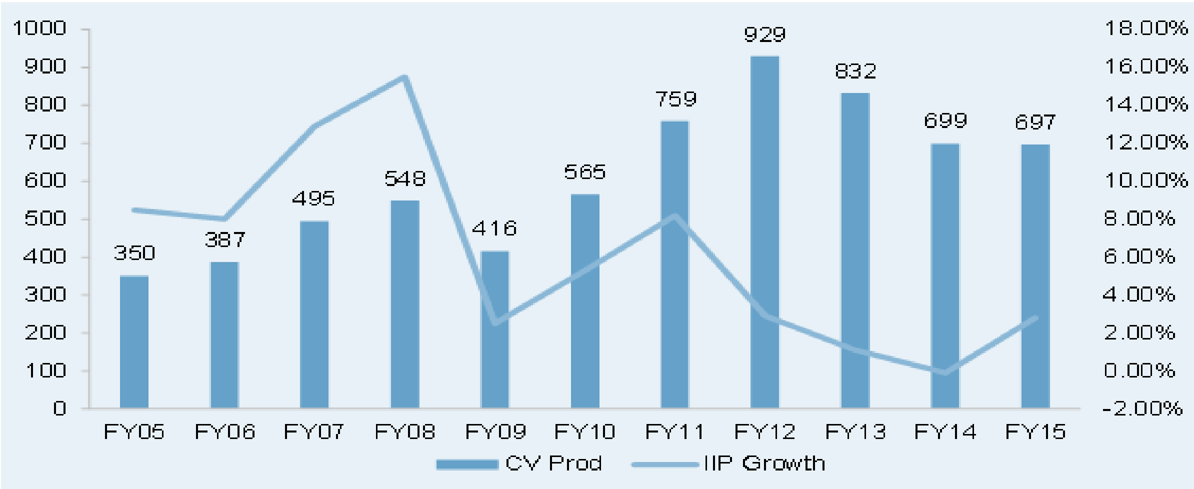
A Commercial Vehicle ("**CV**") is used for transporting goods or passengers. In India, 85-88% of vehicles produced are used to transport goods. Further, most vehicles produced in India are sold in the domestic market, while only around 11% are exported. The major export markets are South Asian Countries, Middle East, South East Asia and Africa.

Commercial Vehicles can be classified into three categories based on the vehicle load capacity: (i) Small Commercial Vehicles ("**SCV**"); (ii) Light and Medium Duty Trucks ("**LMDT**"); and (iii) Heavy Duty Trucks ("**HDT**").

Production review

From Fiscal 2005 to Fiscal 2012, CV sales saw steady growth across all vehicle segments except for Fiscal 2009 when it got impacted due the global financial crisis. Post Fiscal 2012, CV sales declined due to slowdown in Indian economy.

CV Production growth ('000 volume terms)



(Source: CRISIL Research)

Key drivers for commercial vehicles

- Improved Industrial activity
- Higher agricultural output
- Private final consumption expenditure
- Uptick in Export Import traffic
- Road construction and mining segment growth to drive tipper demand

Commercial vehicle outlook

Over the next five years, commercial vehicle sales are expected to grow due to improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the railways. Implementation of GST in the coming years will further expedite the evolution of the hub-and-spoke model for transportation in the country, where small CVs are used for last mile or spoke distribution, and HCVs for hub-to-hub transportation. This is expected to boost CV growth in the coming years.

Tractor

The tractor is a multi-utility vehicle, used to pull a variety of farm implements for ploughing, planting, cultivating, fertilising and harvesting crops. While a majority of tractors find usage on farms, they are also used at construction sites and at airports to transport material and goods.

In India, Tractors are classified into three categories based on their engine power:

- Small tractors (<30 HP)
- Medium-sized tractors (30-40 HP)
- Large tractors (> 40 HP)

Production review

From Fiscal 2010, tractor sales saw strong growth mainly due to easy availability of finance and increase in minimum support prices, barring Fiscal 2013 when poor monsoon in most parts of the country impacted agricultural income. In Fiscal 2014, tractor sales rose strongly by 17.9% year-on-year with healthy demand across regions. Conducive southwest monsoon, strong growth in kharif output, healthy rabi sowing and sustained increase in MSPs resulted in robust tractor sales growth. In Fiscal 2015, tractor sales were again impacted due to deficient rainfall.

Tractor outlook

Domestic demand to grow at a healthy pace till Fiscal 2020

Tractor demand is expected to increase by 9-10% CAGR from Fiscal 2015 to Fiscal 2020 against an estimated 16% CAGR seen from Fiscal 2009 to Fiscal 2014 supported by the following reasons:

- Increase in farm profitability due to:
  healthy growth in MSP, albeit at lower pace than in the period between Fiscal 2008 and Fiscal 2013 when MSPs were growing at double digit rates; and
  growth in crop yields, due to increase in irrigation intensity leading to increase in crop output.
- Migration of labour to urban areas and rural entrepreneurship lead to farm labour shortage.
- Increased focus of the government on agriculture through agricultural credit.
- Increase in rural development.
- Increased availability of finance by:
  non-mortgage schemes with private financiers as against mortgage of land earlier;
  expansion of private financiers (seen in the East); and
  finance for used tractors leading to shortening of replacement cycles (seen in the North).

Major Global Markets – North America

Commercial Vehicle

Production Review

Due the global financial crisis North American CV production had almost halved in CY 2009 from CY 2005 levels. Since CY 2010, the North American commercial vehicle market has improved steadily as the economy revived, supported by income growth and healthy job creation. In CY 2014, North America accounted for 46% of all commercial vehicle production worldwide. Around 95% of commercial vehicles produced in North America are LCVs.

North American market has still not reached pre-2008 global crisis volumes. With strong economic growth in recent years, near term CV production is expected to grow at a strong pace of around 10%. Going forward, as the effect of low base wanes, CV production growth is expected to slow down after 2-3 years. Overall, commercial vehicle production in North America is expected to post 4-5% CAGR between CY 2015 and CY 2020.

Tractor

North America is one of the largest agricultural equipment markets in value terms. It is generally considered to be a mature market. Agricultural equipment demand over the past decade has been fairly robust due to high crop prices, which has translated into strong farmer receipts. These high crop prices are the result of government policies and growing demand in emerging markets.

Production Outlook

Tractor production in North America is expected to expand at around 2% between CY 2015 and CY 2020.

Major Global Markets – Europe

Commercial Vehicle

Production Review

Due the global financial crisis, European CV production declined significantly in CY 2009 from CY 2007 peak levels. After slight recovery in CY 2010, the CV market has almost remained muted in the last five years as economic revival in the Eurozone has been slow. In CY 2005, Europe accounted for 15% of all commercial vehicle production worldwide. In CY 2014, the figure had fallen to 11%. Over the last decade, global CV production share of China has grown majorly at the expense of Europe.

Production Outlook

Among major European Union countries; Spain, Germany, France, Italy, Poland are expected to do well in the near future. In the long term, Turkey, Russia and Eastern European countries will be dynamic although geo-political tensions may cast a pall. CV production in Europe is expected to post around 5% CAGR between CY 2015 and CY 2020.

Tractor

Production Review

Western Europe is a mature market that has, historically, been a relatively stable source of demand for agriculture equipment. The tractor market is skewed towards bigger machines and higher HP tractors. Due to farming technology deployed as well as legislation, <50 HP as well as 4-wheel drive tractors have limited importance in Europe.

Production Outlook

Overall, tractor production in Europe is expected to remain flat between CY 2015 and CY 2020.

Auto-Component Market

Global Auto Component

The auto component industry accounts for 3.6% of total production of the global manufacturing industry. The industry is diverse, covering final consumer goods used to supply OEMs and the aftermarket.

In CY 2014, global auto parts production reached about US$1.4 trillion with Asia Pacific having the largest share with 55.5%, followed by North America (24%) and Europe (14%). The auto component production in North America is around US$335 billion in size whereas that in Europe is around US$193 billion. In both of these markets 70-75% of production is for OEMs.

Indian Auto component

Industry overview

Auto components production is driven by consumption by different end-user segments: OEMs, exports and the replacement market. OEM demand can be further segregated based on the various vehicle segments. In Fiscal 2015, auto components' consumption in India accounted for ₹2572 billion, with OEMs accounted for nearly two-thirds of total auto component consumption. Among OEMs, cars and utility vehicle manufacturers remain the largest consumers.

Engine parts have the biggest share in auto components production followed by drive transmission, steering parts and body & chassis. Domestic consumption of rear axle shafts and spindle demand from commercial vehicles and tractors in India accounts for approximately 2% of drive transmission and steering parts. Further, rear axle shafts and spindles find usage in construction equipments and sports utility vehicles ("**SUVs**"). A significant proportion of these components are exported from India as well.

Auto Component drivers

- Revenue growth to be driven by higher OEM off-take.
- Auto component exports to grow with revival in economies of key markets, expansion into new geographies and support from rupee depreciation.
- Aftermarket growth to pick up gradually.

Export Market for Auto Component Industry

Recovery in export markets, sourcing from low cost countries to provide momentum for exports

Auto component exports are estimated to record a robust 17-20% CAGR between Fiscal 2015 and Fiscal 2020, aided by: (i) higher automobile production in key target markets; (ii) penetration potential of Indian players; and (iii) a surge in component sourcing by global automakers from India.

Over the past decade, India has emerged as the auto component hub for automakers across the globe, given its relatively lower manufacturing cost. Superior product quality and a shift to high-tech products have helped Indian component makers compete better with other low-cost destinations and thus boost exports. In the auto component industry, cost optimization is the most critical factor. Low-cost countries focus on lowering manufacturing as well as supply chain costs while maintaining quality.

India's credibility has also driven global automakers to increasingly source components from here. A recovery in North America and Europe, two primary markets with over 50% share, has also driven Indian auto component exports. Further, India has become a global hub for manufacturing of compact cars launched by global players like Ford, Volkswagen, Renault and Nissan and export of related components. Even as the above trends coming years as more global automakers set up shop in India and its automobile exports increase rapidly.

Focus of exports expands to emerging countries with faster growth

Indian auto component makers maximise realisations by exporting over 50% of their output to the NAFTA region and the EU. Shipments to these regions recorded a CAGR of 13% and 8%, respectively, between Fiscal 2007 and Fiscal 2014. Over the next couple of years, while exports to the NAFTA region are expected to continue growing strongly amid a recovery in automobile production there, shipments to the EU would remain stable.

Though the NAFTA region and EU continue to remain key markets, Indian exporters are gradually penetrating other geographies like Latin America and South-East Asia (see chart below). The emergence of South-East Asia is also underscored by India becoming an export hub for many global OEMs.

Rear Axle Shaft and Spindle

Domestic Market – India

Review of Rear axle shaft and spindle

The current market size for rear drive axle shaft used in commercial vehicle and tractor produced in India is around ₹5.2 billion. In Fiscal 2012, the axle shaft market was at peak because of greater number of CV production and then onwards it declined due to weak economic activity.

The tractor contributes the highest in terms of volume among the four segments. Further, average realisation of rear axle shaft of a tractor is higher than that of a CV. So, also in terms of value, the tractor segment contributes more than double.
The current market size for spindles used in commercial vehicles produced in India is around ₹1.7 billion. In Fiscal 2012, the spindle market performed well because of higher CV production. In Fiscal 2014 and Fiscal 2015, the market was subdued because of low CV production contributed by tepid demand and higher financing cost.

SCV contributes the highest volume in spindle market than any other commercial vehicle segment. But, in terms of value HDT segment contributes the highest as average realization is higher than that of any other segment.

The axle shaft and spindle manufacturing industry has moderate level of competition. The industry is characterised by 5-6 large manufacturers like GNA Axles Limited, Talbros Engineering Limited, Kross Manufacturers, Embross Autocomp Limited, SPM Autocomp Systems Private Limited and a few small players. Among these, GNA Axles Limited and Talbros Engineering Limited are the leading manufacturers.

Rear axle shaft and spindle outlook

Rear axle shaft and spindle volume is estimated to grow at a CAGR of 11.0% and 11.5%, respectively between Fiscal 2015 and Fiscal 2020 based on:

- LCV demand is expected to increase by 11-14% CAGR during Fiscal 2015 to Fiscal 2020 on the back of improved PFCE, growing hub and spoke network, replacement of 3-wheelers and ease in CV financing.
- Between Fiscal 2015 to Fiscal 2020, MHCV sales are expected to grow by 10-12% CAGR due to the expected improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the Railways.
- Over the long term, tractor sales are expected to grow by 8-10% CAGR, with falling replacement

cycles, stable farm incomes, and increased focus of the government on agricultural and rural development.

Other Major Global Market – North America

Review of rear axle shaft and spindle

The current market size for rear axle shafts used in commercial vehicles and tractors produced in North America is around US$ 864 million. Between CY 2010 and CY 2014, axle shaft production steadily increased, primarily due to firm recovery in commercial vehicle and tractor production in the region after the global financial crisis. During this period, axle shaft volume increased at a CAGR of 9.8% while value increased at a CAGR of 8.3% due to decline in steel prices.

Rear axle shaft and spindle outlook

In North America, rear axle shaft and spindle volume are estimated to post a CAGR of 4.5% and 4.7%, respectively, between CY 2015 and CY 2020, based on:

- CV production is expected to increase by around 4-5% CAGR between CY 2015 and CY 2020 on the back of demand for technologically superior vehicles in the face of tightening emission control. As the macro-economic situation in North America improves, the region will show more demand.
- Tractor production is expected to remain muted during the next five years because of low farm income due to subdued global grain prices, slow growth of farmland values and abolition of fixed subsidies as per new U.S. Farm Bill.

Other Major Global Market – Europe

Review of Rear axle shaft and spindle

The current market size for rear drive axle shaft used in commercial vehicles and tractors produced in Europe is around US$ 239 million. Between CY 2010 and CY 2014, axle shaft market did not grow due to a steep slump in the production of HCV, despite recovery in LCV and tractor segments. In CY 2014, axle shaft production level was still a quarter below the pre-crisis peak of 2007. Axle shaft volume declined at a CAGR of 2% between CY 2010 and CY 2014 while low steel prices led to decline in value terms at a CAGR of 3% during the same period.

Rear axle shaft and spindle outlook

In Europe, rear axle shaft and spindle volume is estimated to post a CAGR of 4.6% and 5%, respectively, between CY 2014 and CY 2020 based on:

- CV production is expected to increase by around 4-5% CAGR between CY 2015 and CY 2020 as the outlook for economic growth in EU has brightened. In the long term, Turkey, Russia and Eastern European countries are expected to play a dynamic role in automobile manufacturing.
- Tractor production is expected to remain flat over the next five years because of uncertainties in EU subsidy payments caused by the newly introduced CAP and low cereals and milk prices.

SUMMARY OF OUR BUSINESS

Overview

Established in 1993, our Company is today among the leading manufacturers of rear axle shafts used in on-highway and off-highway vehicular segments in India *(Source: CRISIL Report)*. Since our first supplies in 1995 and our first exports in 2002-2003, we have grown to production levels of more than 1.97 million components in Fiscal 2015. We manufacture and supply a diverse range of rear axle shafts, other shafts and spindles for the on-highway segment, i.e. for light commercial vehicles ("**LCVs**"), medium commercial vehicles ("**MCVs**") and heavy commercial vehicles ("**HCVs**") and other transport vehicles such as buses. We also manufacture and supply a diverse range of rear axle shafts and other shafts for the off-highway segment, i.e. for agricultural tractors and machinery, forestry and construction equipments, electric carts and other specialty vehicles used in mining and defense sectors. We also manufacture solid and hollow spindles used in the axle assembly for various vehicles and equipments in the on-highway segment which we supply to our export customers.

We have a broad customer base for both the on-highway and off-highway segments and our customers are based in India and overseas. Our customers primarily include original equipment manufacturers ("**OEMs**") such as Mahindra & Mahindra Limited, John Deere, Tractors and Farm Equipment Limited ("**TAFE**"), and tier-1 suppliers to OEMs such as Automotive Axles Limited, Meritor HVS AB and Dana Limited. In Fiscal 2015, our domestic sales and export sales constituted 51.67% and 48.33% of our revenue from operations, respectively. Our domestic customers in the on-highway segment include major tier-1 suppliers such as Automotive Axles Limited and Dana Limited and HCV manufacturer such as Meritor HVS AB. In the off-highway segment, our domestic customers include major tractor manufacturers such as Mahindra & Mahindra Limited, TAFE, Escorts Limited and Claas India Private Limited. We also export rear axle shafts, other shafts and spindles to various countries including USA, Sweden, Turkey, Brazil, Italy, Germany, Spain, Mexico, Japan, UK, France, China and Australia. Our major global customers include Meritor HVS AB, John Deere, Transaxle Manufacturing of America, Dana Limited and Kubota Corporation.

The chart below provides a region-wise break-up of our export sales for Fiscals 2015, 2014, and 2013:

Country	Export Sales (in ₹ millions)		
	Fiscal 2015	**Fiscal 2014**	**Fiscal 2013**
North America	993.29	208.57	256.14
Europe	800.15	933.55	681.42
Asia Pacific	97.27	92.49	95.55
South America	167.61	198.70	140.23
Total	**2,058.32**	**1,433.31**	**1,173.34**

We have two manufacturing facilities: Unit I located in village Mehtiana, district Hoshiarpur, Punjab and Unit II located at village Gulabgarh Jattan, district Kapurthala, Punjab. Both of our manufacturing facilities are ISO/TS 16949:2009 certified for manufacture of rear axle shafts, other shafts and spindles for automotive applications. As of March 31, 2015, our manufacturing units have a total annual manufacturing capacity of 2.30 million rear axle shafts, 0.40 million other shafts and 0.30 million spindles.

Our promoters have an average of 28 years of experience in the engineering and auto component manufacturing sector. They have been on the Board of our Company since our inception in 1993 and have played a pivotal role in the innovation, success and growth of our Company.

For Fiscal 2015, our total revenue and our net profit were ₹ 4,306.44 million and ₹ 215.98 million, respectively. For Fiscal 2015, our total sales was ₹ 4,258.67 million comprising domestic sales of ₹ 2,200.26 million and export sales of ₹ 2,058.41 million.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Among the Leading Manufacturers of Axle Shafts in India

We are among the leading manufacturers of axle shafts for commercial vehicles and off-highway vehicles in India *(Source: CRISIL Report)*. We also have a considerable presense in export markets which is owed to experience in the development and manufacturing of axle shafts. We have been supplying components to domestic customers since 1995 and to overseas customers since 2002. We believe that we have the ability to compete globally in measurable quality, cost, delivery and technology. With the domestic rear axle shaft market expected to grow at 13% CAGR over the next five years and with new opportunities expected to open up for export-oreinted, low cost countries such as India *(Source: CRISIL Report),* we believe that our leadership position provides us the platform to benefit from this growth, both domestically and globally.

2. Diverse Product Range of Axle Shafts and Spindles

We currently manufacture a large variety of rear axle shafts, ranging from 1.5 kg to 65 kg and have the capacity to manufacture rear axle shafts of up to 165 kg input weight. We have established a strong presence across various automotive segments including commercial vehicles and off-highway vehicles. In addition, we manufacture a range of spindles and other shafts for automotive application.

We believe that we are insulated to a degree against fluctuation in demand for a specific product because of the wide range of products that we currently offer and our ability to develop new products required by our customers. We believe that our in-house engineering department and the research and development activities that we undertake in each of our product divisions enable us to continuously innovate and develop new products and processes.

3. Strong Long Term Customer Relationships and Diversified Customer Base

We believe that we have a strong and established relationship with our customers. Certain of our domestic customers such as Mahindra & Mahindra Limited have been our customers since 1995. Further, we have supplied axles to some of our overseas customers for more than a decade.

Our customers include global OEMs and tier-1 suppliers such as Dana Limited (USA, Mexico and Brazil), John Deere (Spain and USA), Kubota Corporation (Japan) and Meritor HVS AB (Sweden, Italy, Brazil, USA), as well as leading Indian OEMs and tier-1 suppliers such as Claas India Private Limited, TAFE, International Tractors Limited, Escorts Limited, Axles India Limited, Automotive Axles Limited and Mahindra & Mahindra Limited. We have a long standing relationship with Mahindra & Mahindra Limited and John Deere, which are our two largest customers in the off-highway segment in India, and Automotive Axles Limited which is our largest customer in the on-highway segment in India. We have partnered with many of our key customers in the product development process, enabling our products to meet the exact specifications provided by the customers and to ensure repeat orders.

Our long term relationships with our key customers allow us to understand and cater to their diverse requirements, including the development of new products. Further, it gives us an opportunity to cross sell to them in other vehicle and equipment segments into which they may diversify. For example, we are supplying components to Escorts, International Tractors Limited and John Deere for tractors, construction equipments and agriculture equipments. This also gives us an opportunity to grow our sales in line with the growth of our clients.

Given our experience in supplying components in 13 countries across five continents, we believe we are well positioned to seek new clients across the globe.

4. Manufacturing Facilities with Large Capacity and Modern Machinery

We presently own two manufacturing facilities: Unit I located in village Mehtiana, district Hoshiarpur, Punjab and Unit II located at village Gulabgarh Jattan, district Kapurthala, Punjab. Our total manufacturing capacity as on March 31, 2015 was 2.30 million rear axle shafts, 0.40 million other shafts and 0.30 million spindles annually.

Our manufacturing capabilities provide us with the following distinct advantages:

- We have integrated facilities from forging to finished products under one roof which gives us economies of scale.

- Our large scale capacity allows us to service customer requirements in a timely and efficient manner and we have the flexibility to produce different ranges of customised products.

- We have full service capabilities across the product manufacturing value chain, including engineering, forging, machining, and quality testing. All processes from materials receipt, forging, heat treatment, machining, induction hardening and packaging are located under one roof resulting in better efficiency;

- Both of our manufacturing facilities are located in rural areas where unskilled manpower is easily available at economical cost and we believe we have a low attrition rate; and

- Our manufacturing facilities are located near to facilities of some of our large customers such as International Tractors Limited, Mahindra & Mahindra (Swaraj division), Escorts Limited and New Holland Limited which we believe results in lower transportation and logistics cost. Besides this, our Company makes part of its exports through dry port located at Ludhiana which is situated at a distance of approximately 60 kms from our manufacturing facilities.

5. Highly Qualified Management and Skilled Employee Base

We are led by a management team and staffed with employees who have significant experience in our industry. Our Executive Chairman, Mr. Rachhpall Singh, and Managing Director, Mr. Gursaran Singh, have been involved in the automotive component industry since 1970 and our Promoters have an average of approximately 28 years experience in engineering and auto-component sector and our Key Management Personnel are also experienced in the engineering industry. The majority of our Key Management Personnel have been employed with our Company for over ten years and have contributed towards growth of our Company. Through their commitment and experience, we believe our management team has established a good reputation and name for our Company in India and overseas.

We have been focused on the recruitment, training and retention of a highly skilled employee base. As of June 30, 2015, we have 958 employees including 115 engineers and engineering diploma holders. This coupled with continuous on-site learning and training programmes has helped us to develop and adopt new technologies, maintain high productivity and achieve faster product development cycle.

6. Strong Engineering, Product Development and Technological Capabilities

We place strong emphasis on engineering and product development to enhance our product range and improve our manufacturing processes. We have in-house metallurgical and metrological laboratories and we believe that we have developed strong product design capabilities and short product lead time which allows us to service our customers more effectively and in a timely manner. We have offered a number of cost reduction and value engineering proposals to our customers on the basis of in-house improvements in manufacturing processes which resulted in low input cost and low operation cost. For example, one of our large customers, Mahindra & Mahindra Limited, has given us a cost reduction efficiency (CRE) performance award. We have also received Best Supplier award from TAFE and Commendable Performance award from John Deere. For further details of the awards received from our customers, please see "– Awards and Recognition" on page 128.

7. Consistent Financial Performance and Strong Financial Position

Our increasingly diversified geographical presence, use of modern manufacturing facilities and a broad customer base for both the on-highway and off-highway vehicular segments has led us towards sustained growth in financial indicators including our revenue and profits, as well as a consistent improvement in our balance sheet position in the last five Fiscals. We have achieved growth in our total revenue from Fiscal 2010 to Fiscal 2015 by CAGR of 6.63%. While there was a slowdown in the domestic tractor industry in Fiscal 2015, we have increased our total revenue by ₹ 263.96 million from ₹ 4,015.78 million for Fiscal 2014 to ₹ 4,258.67 million for Fiscal 2015 and our profit after tax by ₹ 83.33 million from ₹ 132.65 million for Fiscal 2014 to ₹ 215.98 million for Fiscal 2015 primarily on account of high growth in export sales. We believe that we have achieved this position due to regular capacity augmentation in plant and machinery, acquisition of new customers and diversification of our customer base in the domestic and international markets, improvement in share of business with some of our key customers and optimizing costs of sourcing raw materials and other fixed costs. We have undertaken a number of cost control measures to improve our results of operations including value engineering in terms of better die design to reduce the input weight of the component which results in saving in raw material consumption, shifting of pre forging heating from furnace oil to electricity thus reducing the burning losses, standardization of tools to obtain maximum tool life and other process improvements resulting in overall efficiency in manufacture.

Our Key Strategies

The key elements of our strategy are as follows:

1. Focus on Exports from India

As the globalisation trend continues and barriers to trade in various markets are reduced across the world, we believe that an export oriented strategy will continue to offer us business advantages. We intend to leverage the low cost advantages of manufacturing in India. We have seen an increasing trend in export sales in Fiscals 2015 and 2014. For further details of future prospects regarding export markets, please see the section entitled "Industry Overview – Auto Component – Rear Axle Shaft and Spindle – Other Major Global Markets" on page 107. We also aim to capitalise on the available tax incentives provided by the Government of India, such as export promotion capital goods and duty drawback schemes, to offer cost advantages to our overseas customers. We aim to work closely with the global sourcing offices of our overseas customers to develop relationships and enhance our global customer base. For this purpose, our senior management including our Promoters interact regularly with the management of our key overseas customers. We believe that we can take advantage of the existing relationships with overseas customers and expand these relationships into other product segments.

2. Diversify Product Portfolio and Expand Customer Base

Our Company will continue its focus on development of new products as well as expanding our existing lines of products. For example, we are currently developing products such as heavy axle shafts for off-highway segment.

We also intend to continue to diversify our customer base. Our top ten domestic customers contributed to 89.06% of our domestic sales, for Fiscal 2015 as compared to 94.32% of our net sales, for Fiscal 2014. Our top five overseas customers constituted 91.32% of our export sales for Fiscal 2015 as compared to 91.94% of our net sales for Fiscal 2014. We believe that there will be a growth in the Indian agricultural tractor segment and we intend to maintain our strong position in this segment.

We will continue to maintain our relationships with leading domestic and international OEMs and tier-1 suppliers and seek opportunities to supply our products to them in new geographies. As part of our plan for expansion of our customer base, we propose to diversify our product portfolio to include new components that we are developing. We aim to supply the new components both to our existing customers as well as new customers.

3. Continue to Focus on Quality, Cost Reduction and Delivery

Our commitment to focus on quality, cost reduction and adherence to delivery schedules is evidenced by the following key initiatives:

- Our focus on quality is exemplified through the ISO/TS-16949:2009 certifications that we have obtained for both our manufacturing units, with respect to our manufacturing processes. ISO/TS 16949:2009 are applicable to sites of the organization where customer specified parts are manufactured.

- All of our manufacturing processes are carried out in-house, which also allow us to monitor the quality of our manufactured products, control our production costs and maintain our delivery schedules.

- Certain of our employees have been trained and certified with Six Sigma Certified Black Belts (Level I). Such training and certifications help to improve the efficiency and reliability of our manufacturing processes across our manufacturing facilities.

- We have undertaken several initiatives to reduce costs such as value engineering at die making to reduce the cost of input material, optimising tool consumption by using designated tools for designated processes, shifting of heating from furnace oil/diesel to electricity to minimise the burning losses in forging and certain of our forging facilities are robotised to increase their capacity utilisation.

- We also focus on our relationships with vendors to ensure that our quality, costs and delivery objectives are met and we have taken steps such as regular vendor audits for this purpose.

- We have a centralised approach towards sourcing and vendor management, which ensures that we gain economies of scale in raw material procurement, especially with respect to our most important raw material, steel.

- We focus on packaging of products according to our customers' requirements and with due consideration to the mode of transportation and destination which allows us to ensure timely deliveries.

4. Rationalisation of plant and machinery, investment in new machines and increased automation to enhance capacity optimisation

Our Company has full service capabilities across the product manufacturing value chain, including engineering, forging, machining, and quality testing. Each of these processes is systemised and most processes are carried out under one roof, which strengthens our capacity to meet customer demands satisfactorily and in accordance with delivery schedules. For example, our Company's presses offer us the capability to produce a range of forgings of up to 165 kg input weight, enabling us to meet bespoke customer demands and deliver products of high quality. We will continue to further rationalise our production processes to enhance capacity and increase efficiency in each stage of production.

To achieve further rationalisation, we intend to acquire new machinery to bolster our machining facilities and ensure that there are no bottlenecks in our production lines. We aim to purchase new machinery to be installed in all of our manufacturing processes which will expand our capacity. We plan to acquire machinery in machine shop and heat treatment shop for optimum capacity utilization of forging presses already installed such as screw press and deep extrusion press for spindles. We also plan to purchase machinery in forging, heat treatment and machine shop for additional capacity build-up for axle shaft business of our Company. We also plan to purchase service equipments such as fork lifters and DG sets. For an indicative list of the plant and machinery proposed to be purchased by our Company, please see the section entitled "Objects of the Issue – Details of Utilisation of Net Proceeds – Purchase of Plant and Machinery" on page 69. Installation of new machinery will help us take advantage of economies of scale and will reduce our production time and costs.

Our Company has taken steps towards better utilisation of resources and maximising efficiency by increasing automation in the forging and machining processes. Our Company uses IT enabled business processes such as advanced computer aided design and analysis capabilities which accommodate a range of customer specifications. Our forging facilities such as screw press with direct drive and extrusion press are supported by robots. We intend to further invest in achieving greater levels of automation by acquiring automatic line for the sawing of round and square bars, fully automatic grinder and polisher and industrial robots such as IRB 7600/500kg. We intend to invest in automation for most stages of our production process to ensure optimal use of resources, reduction of industrial risk to human workers, economies of scale and significantly higher precision in the overall manufacturing and design of products.

SUMMARY OF FINANCIAL INFORMATION

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Millions)

Sr No	Particulars	As at March 31,				
		2015	2014	2013	2012	2011
A.	**Equity & Liabilities**					
	Shareholders' Fund					
	(a) Share Capital					
	- Equity Share Capital	151.65	151.65	151.65	151.65	151.65
	- Preference Share Capital	-	-	-	-	-
	(b) Reserve & Surplus	976.42	763.97	633.58	585.44	417.12
	Total Shareholders' Fund	**1128.07**	**915.62**	**785.23**	**737.09**	**568.77**
B	**Minority Interest**	-	-	-	-	-
C	**Non-Current Liabilities**					
	(a) Long Term Borrowings	605.80	546.18	430.67	258.07	251.95
	(b) Deferred Tax Liabilities (Net)	60.12	126.19	113.27	33.70	14.59
	(c) Other Long Term Liability	-	160.54	-	-	-
	(d) Long Term Provisions	-	-	-	-	-
	Total Non-Current Liabilities	**665.92**	**832.91**	**543.94**	**291.77**	**266.54**
D	**Current Liabilities**					
	(a) Short Term Borrowings	691.88	579.62	574.20	468.28	428.14
	(b) Trade Payables	1477.97	1224.33	1082.10	936.58	945.11
	(c) Other Current Liabilities	278.10	257.89	144.70	150.80	131.08
	(d) Short-Term Provisions	22.68	8.14	48.60	90.00	-
	Total Of Current Liabilities	**2470.63**	**2069.98**	**1849.60**	**1645.66**	**1504.33**
	Total of A+B+C+D	**4264.62**	**3818.51**	**3178.77**	**2674.52**	**2339.64**
E	**Assets**					
	Non-Current Assets					
	(a) Fixed Assets					
	- Tangible Assets	1593.31	1450.63	1076.00	881.33	829.08
	- Intangible Assets	-	-	-	-	-
	-Capital Work In Progress	4.24	240.01	289.36	72.22	24.50
		1597.55	**1690.64**	**1365.36**	**953.55**	**853.58**
	(b) Non-Current Investments	-	-	-	-	-
	(c) Long-Term Loans & Advances	140.92	128.91	17.04	20.60	14.03
	(d) Other Non-Current Assets	1.50	-	-	-	-
	Total Non-Current Assets	**1739.97**	**1819.55**	**1382.40**	**974.15**	**867.61**
F	**Current assets**					
	(a) Inventories	919.36	612.46	529.49	531.13	519.53
	(b) Trade Receivables	1218.52	1113.46	866.18	847.74	788.92
	(c) Cash And Bank Balances	4.22	5.21	14.94	8.18	13.59
	(d) Short-Term Loans And Advances	86.59	19.30	136.12	105.36	41.54
	(e) Other Current Assets	295.96	248.53	249.64	207.96	108.45
	Total Current Assets	**2524.65**	**1998.96**	**1796.37**	**1700.37**	**1472.03**
	Total of E+F	**4264.62**	**3818.51**	**3178.77**	**2674.52**	**2339.64**

RESTATED STATEMENT OF PROFIT & LOSS

(Rs in Millions)

Particulars	**As at March 31,**				
	2015	**2014**	**2013**	**2012**	**2011**
Income					
Revenue from Operations	4,258.67	4,015.78	3,460.66	3,934.35	3,076.37
Other Operating Revenue					
Export Incentives	42.11	24.24	28.57	51.97	27.85
Other Income	5.66	2.46	1.28	0.34	20.37
Total Revenue	**4,306.44**	**4,042.48**	**3,490.51**	**3,986.66**	**3,124.59**
Expenses					
Raw Material Consumed	2,934.04	2,779.21	2,313.07	2,741.21	2,229.84
Change In Inventories	-148.94	-42.20	24.51	-48.96	-68.50
Employee Benefits Expenses	208.06	193.10	161.16	138.40	111.27
Other Expenses	703.46	602.20	552.13	638.24	506.33
Depreciation & Amortisation	229.82	173.62	136.25	123.96	117.21
Finance Cost	172.59	151.88	127.08	115.36	92.49
Total Expenses	**4,099.03**	**3,857.81**	**3,314.20**	**3,708.21**	**2,988.64**
Restated Profit Before Tax	**207.41**	**184.67**	**176.31**	**278.45**	**135.95**
Tax Expenses					
Current Tax	-57.50	-39.10	-48.60	-90.00	-47.50
Deferred Tax (Credit) Charge	66.07	-12.92	-79.57	-19.11	-14.59
MAT Credit Entitlement					
Total Tax Expenses	**8.57**	**-52.02**	**-128.17**	**-109.11**	**-62.09**
Restated Profit For The Period	**215.98**	**132.65**	**48.14**	**169.34**	**73.86**

RESTATED STATEMENT OF CASH FLOWS

(Rs in Millions)

	Particulars	As at March 31,				
		2015	2014	2013	2012	2011
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net profit before tax (as restated)	207.41	184.67	176.31	278.45	135.95
	Adjustments to reconcile profit before tax to net cash flow					
	Depreciation & amortisation	229.82	173.63	136.25	123.96	117.21
	Loss on sale of assets	-	0.40	-	0.26	0.03
	Interest paid	160.57	145.38	117.63	104.86	86.00
	Interest received	-5.60	-2.36	-1.19	-0.25	-0.32
	Rent received	-0.06	-0.10	-0.10	-0.10	-0.06
	Operating profit before working capital changes	592.14	501.62	428.90	507.18	338.81
	(Increase)/ Decrease in inventories	-306.90	-82.97	1.64	-11.60	-116.21
	(Increase)/ Decrease in trade receivable	-105.06	-247.29	-18.43	-58.82	-204.71
	(Increase)/ Decrease in trade short term loan & advances	-67.29	116.83	-30.76	-63.82	-3.86
	(Increase)/ Decrease in other current assets	-47.43	1.11	-41.68	-99.51	-2.45
	Increase/ (Decrease) in trade payable	253.64	142.23	145.52	-8.53	260.61
	Increase/ (Decrease) in current liabilities	-2.54	9.57	5.89	13.30	-10.13
	Increase/ (Decrease) in short term provisions	14.54	-40.46	-41.40	90.00	-13.26
	Cash generated from operations	331.10	400.64	449.68	368.20	248.80
	Income tax paid	-61.03	-41.36	-48.60	-91.02	-47.54
	Net cash generated from operating activities (A)	**270.07**	**359.28**	**401.08**	**277.18**	**201.26**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of tangible fixed assets include Capital WIP	-136.72	-501.53	-548.06	-225.73	-144.40
	Sale of fixed assets	-	2.20	-	1.52	1.13
	Increase in other noncurrent assets	-1.50	-	-	-	-
	Interest received	5.60	2.36	1.19	0.25	0.32
	Rent received	0.06	0.10	0.10	0.10	0.06
	Increase in long term loans & advances	-12.02	-111.86	3.56	-6.57	-
	Net cash generated used in investing activities (B)	**-144.58**	**-608.73**	**-543.21**	**-230.43**	**-142.89**
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	133.56	487.78	280.71	126.24	85.89
	Repayment of long term borrowings & Long term liabilities	-211.73	-108.11	-120.11	-113.68	-71.33
	Increase/ decrease in cash credits & Packing credits	112.26	5.42	105.92	40.14	6.60
	Interest Paid	-160.57	-145.37	-117.63	-104.86	-86.00
	Net cash generated from/(used in) financing activities (c)	**-126.48**	**239.72**	**148.89**	**-52.16**	**-64.84**
	Net increase/(decrease) in cash & bank balances (A+B+C)	-0.99	-9.73	6.76	-5.41	-6.47
	Cash & Cash equivalents at the beginning of period	5.21	14.94	8.18	13.59	20.06
	Cash & Cash equivalents at the end of period	4.22	5.21	14.94	8.18	13.59

THE ISSUE

The following table summarizes the Issue details:

Issue[(1)]	Up to 6,300,000 Equity Shares aggregating up to ₹ [●] million
of which:	
Employee Reservation Portion[(2)]	Up to 200,000 Equity Shares aggregating up to ₹ [●] million
Net Issue	Up to 6,100,000 Equity Shares aggregating up to ₹ [●] million
A) QIB Portion [(2) (3)]	Not more than 3,050,000 Equity Shares
of which	
Anchor Investor Portion	1,830,000 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	1,220,000 Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))[(4)]	61,000 Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	1,159,000 Equity Shares
B) Non-Institutional Portion[(2)]	Not less than 915,000 Equity Shares
C) Retail Portion[(2)]	Not less than 2,135,000 Equity Shares
Pre-Issue and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	15,165,400 Equity Shares
Equity Shares outstanding after the Issue	21,465,400 Equity Shares
Utilisation of Net Proceeds	For details, please see the section entitled "Objects of the Issue" on page 68

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis.

(1) *The Issue has been authorised by the Board pursuant to its resolution passed on June 9, 2015 and the Shareholders pursuant to the resolution passed on June 20, 2015.*

(2) *Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange.*

(3) *Our Company may, in consultation with the BRLMs, allocate up to 60 % of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For details, please see the section entitled "Issue Procedure" on page 257.*

(4) *Subject to valid Bids being received at, or above, the Issue Price.*

GENERAL INFORMATION

Our Company was incorporated as G N A Axles Limited on September 6, 1993, at Jalandhar, as a public limited company under the Companies Act, 1956. Our Company obtained a certificate of commencement of business on April 5, 1994. For details of the business of our Company, please see the section entitled "Our Business" on page 114.

Registered Office and Registration Number of our Company

GNA House
1-C, Chhoti Baradari – Part II
Garha Road, Opposite Medical College
Jalandhar 144 001
Tel: 0181 463 0477
Fax: 0181 463 0477
Website: www.gnagroup.com
Corporate Identity Number: U29130PB1993PLC013684
Registration Number: 013684

Corporate Office

VPO Mehtiana
Phagwara-Hoshiarpur Road
District Hoshiarpur 146 001

Address of the RoC

Our Company is registered with the Registrar of Companies, Chandigarh and Shimla, Punjab, Chandigarh and Himachal Pradesh which is situated at the following address:

Corporate Bhawan
Plot No.4 B
Sector 27 B, Madhya Marg
Chandigarh 160 019

Board of Directors

The Board of Directors comprises the following Directors:

Name	Designation	DIN	Address
Rachhpall Singh	Chairman and Executive Director	00806002	Bundala, Post Bundala, Jalandhar 144 034
Gursaran Singh	Managing Director	00805558	Kot Kalan, Jalandhar 144 024
Jasvinder Singh Seehra	Joint Managing Director	01831572	GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024
Ranbir Singh	Executive Director	01572708	GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024
Gurdeep Singh	Non-Executive, Non-Independent Director	01572748	GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024
Harwinder Singh Sehra	Executive Director	03522842	GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024
Kulwin Sehra	Executive Director	03522812	GNA House, Old Phagwara Road, VPO Kot Kalan, Jalandhar 144 024
Anish Kumar Dhingra	Independent Director	01062917	H. No. B-7/413, Old Nawanshahr Road, Phillaur, Jalandhar 144 410
Jasminder Singh Johal	Independent Director	06933082	682-L, Model Town, Jalandhar 144 001
Vikas Uppal	Independent Director	00796828	Bharti Engg. Corporation, 32 Industrial Area GT Road Phagwara 144 401
Geeta Khanna	Independent Director	07206191	House No 77/33, Green Model Town, Jalandhar 144 003

Name	Designation	DIN	Address
Retired Air Commodore Shailindra Singh Kaushik	Independent Director	07196966	House No 206, Nehru Garden Road, Jalandhar, 140 001
Dilsher Singh Bhatti	Independent Director	07204555	Bhatti Cold Storage, Village Alipur, PO Mithapur, Jalandhar 144 022
Manbhupinder Singh Atwal	Independent Director	03298665	H. No 26, Mall Road, Jalandhar Cantt, 144 005

For further details of our Directors, please see the section entitled "Our Management" on page 138.

Company Secretary and Compliance Officer

Gourav Jain is the Company Secretary and the Compliance Officer of our Company. His contact details are as follows:

Gourav Jain
GNA Axles Limited
VPO Mehtiana
Phagwara Hoshiarpur Road
District Hoshiarpur 146 001
Tel: 01882 262273
Fax: 01882 262302
E-mail: gjain@gnagroup.com

Chief Financial Officer

Rakesh Kumar is the Chief Financial Officer of our Company. His contact details are as follows:

Rakesh Kumar
GNA Axles Limited
VPO Mehtiana
Phagwara Hoshiarpur Road
District Hoshiarpur 146 001
Tel: 01882 262273
Fax: 0188 2262302
E-mail: rakesh@gnagroup.com

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

Book Running Lead Managers

PNB Investment Services Limited
11th Floor, Dalamal House
Nariman Point
Mumbai 400 021
Tel: 022 4347 4031
Fax: 022 2284 0854
E-mail: gna.ipo@pnbisl.com
Investor grievance e-mail: complaints@pnbisl.com
Website: www.pnbisl.com
Contact Person: Vinay Rane
SEBI Registration No.: INM000011617

Ambit Corporate Finance Private Limited
Ambit House
449, Senapati Bapat Marg

Lower Parel
Mumbai 400 013
Tel: 022 3982 1819
Fax: 022 3982 3020
E-mail: gnaipo@ambitpte.com
Investor grievance e-mail: customerservicemb@ambitpte.com
Website: www.ambit.co
Contact Person: Sandeep Sharma
SEBI Registration Number: INM000010585

Indian Legal Counsel to the Issue

Cyril Amarchand Mangaldas
4th floor, Religare Building
D-3, District Centre
Saket
New Delhi 110 017
Tel: 011 6622 9000
Fax: 011 6622 9009

Statutory Auditors to our Company

M/s G.S. Syal & Co., Chartered Accountants
Syal House 470
Lajpat Nagar Market
Jalandhar 144001
Tel: 0181 2235 501; 0181 2235 505
Fax: 0181 2235 506
E-mail: info@syaltax.com
Firm Regstration No.: 00457N

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S Marg, Bhandup (West)
Mumbai 400 0078
Tel: 022 6171 5400
Fax: 022 2596 0329
E-mail: gna.ipo@linkintime.co.in
Investor grievance e-mail: gna.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details, such as name, application number, address of the Bidder, number of the Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form and the entity with which, and the centre where, the Bid cum Application Form was submitted.

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

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

Bankers to our Company

Punjab National Bank
GT Road
Goraya 144 409
Tel: 01826 262722
Fax: 01826 262722
E-mail : BO0185@pnb.co.in
Website: www.pnbindia.in
Contact Person: S.K Mann

Central Bank of India
Railway Road
Phagwara 144 401
Tel: 01824 260361
Fax: 01824 260361
E-mail: bmjala0352@centralbank.co.in
Website: www.centralbankofindia.co.in
Contact Person: Rakesh Gupta

Bankers to the Issue and Escrow Collection Banks

[●]

Refund Bank(s)

[●]

Self Certified Syndicate Banks

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

Registered Brokers

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

Monitoring Agency

There is no requirement to appoint a monitoring agency for the Issue, as the Issue is expected to be for an amount less than ₹ 5,000 million.

Credit Rating

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

Experts

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

Our Company has received written consent from the Statutory Auditors namely, M/s. G.S. Syal & Co., Chartered Accountants, to include its name as required under Section 26(1)(a)(v) of the Companies Act, 2013 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 examination report of the Statutory Auditors on the Restated Financial Statements dated September 10, 2015 and the statement of tax benefits dated September 10, 2015 included in this Draft Red Herring Prospectus and such consents have 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.

Appraising Entity

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

Trustees

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

Inter-se allocation of responsibilities between the BRLMs.

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

Sr. No.	Activities	Responsibility	Co-ordinator
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	PNBISL Ambit	PNBISL
2.	Pre Issue: Due diligence on the Company, DRHP Drafting, compliance and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of RHP, Prospectus and SEBI, RoC filing and co-ordination of all agreements namely the Issue agreement, Registrar agreement, Syndicate agreement, Escrow agreement and Underwriting agreement.	PNBISL, Ambit	PNBISL
3.	Co-ordinating approval of all statutory advertisements in relation to the Issue.	PNBISL, Ambit	PNBISL
4.	Co-ordinating approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	PNBISL, Ambit	Ambit
5.	Appointment of other intermediaries including Bankers to the Issue, Printers and PR Agency; Registrar, Grading and Monitoring Agency, as applicable.	PNBISL, Ambit	PNBISL
6.	Non-Institutional and Retail Marketing of the Issue, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalising Media and PR strategy • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material; and finalising collection centres.	PNBISL, Ambit	Ambit
7.	International Institutional Marketing of the Issue, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules.	PNBISL, Ambit	Ambit
8.	Domestic Institutional Marketing of the Issue, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules	PNBISL, Ambit	Ambit
	Preparation of the roadshow presentation and FAQ	PNBISL,	Ambit

Sr. No.	Activities	Responsibility	Co-ordinator
9.		Ambit	
10.	Finalisation of pricing in consultation with the Company and managing the book	PNBISL, Ambit	Ambit
11.	Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	PNBISL, Ambit	Ambit
12.	Post-Bidding activities –anchor coordination, management of escrow accounts, co-ordination of non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to Bidders, etc. The Post Issue activities for the Issue will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue and Escrow Collection and Refund Banks. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company	PNBISL, Ambit	PNBISL

Book Building Process

The book building, in the context of the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band and the minimum Bid Lot, which will be decided by our Company in consultation with the BRLMs, and advertised in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation at least five Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date on the basis of the Book Building Process. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Issue; and
- the Escrow Collection Bank(s).

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis of which one third shall be reserved from domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Issue Price. 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 Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, 200,000 Equity Shares aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above Issue Price. Under subscription if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. Under subscription, if any, in the Net Issue would be allowed to be met with the Employee Reservation Portion.

QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process and Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI 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 and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until finalisation of the Basis of Allotment. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please see the sections entitled "Issue Structure" and "Issue Procedure" on pages 251 and 257, respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI in connection with the Issue. In this regard, our Company has appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

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

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

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

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to 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 BRLMs, 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.

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (please see the section entitled "Issue Procedure – Who Can Bid?" on page 258);

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids (i) on behalf of the Central or the State Governments and the officials appointed by

courts, who (in terms of the circular dated June 30, 2008 issued by SEBI), may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who (in terms of the circular dated July 20, 2006 issued by SEBI), may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see the section entitled "Issue Procedure- Field Number 2: PAN number of Sole/First Bidder/Applicant" on page 277;

4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;

5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;

6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the bidding centers or the Registered Brokers at the Broker Centers; and

7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centers in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centers, the list of branches of the SCSBs at the Broker Centers named by the respective SCSBs to receive the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

For further details for the method and procedure for Bidding, please see the section entitled "Issue Procedure" on page 257.

Notwithstanding the foregoing, the Issue 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.

Underwriting Agreement

After determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

The above mentioned table discloses indicative underwriting commitment and actual underwriting devolvement will be finalised after pricing and actual allocation in accordance with provisions of the SEBI Regulations.

In the opinion of the Board (based on certificates provided by the Underwriters), resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board or the 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 Bidders procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscription for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as of the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

The underwriting arrangement shall not be applicable to the Bids made by ASBA Bidders in the Issue except for Bids submitted by ASBA Bidders to members of the Syndicate or Registered Brokers.

CAPITAL STRUCTURE

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

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**AUTHORIZED SHARE CAPITAL**		
	30,000,000 Equity Shares	300,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	15,165,400 Equity Shares	151,654,000	
C	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	6,300,000 Equity Shares aggregating up to ₹ [●] million(1)	63,000,000	[●]
	of which		
	Employee Reservation Portion of up to 200,000 Equity Shares aggregating up to ₹ [●] million	2,000,000	[●]
	Net Issue of up to 6,100,000 Equity Shares	61,000,000	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	Nil	
	After the Issue	[●]	
F	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**		
	21,465,400 Equity Shares(2)	214,654,000	

(1) The Issue has been authorised by the Board of Directors pursuant to the resolution passed on June 9, 2015 and the Shareholders pursuant to the resolution passed on June 20, 2015.

(2) The issued, subscribed and paid-up capital after the issue is subject to variation if the Issue is not fully subscribed.

Changes in the Authorised Capital

Please see the section entitled "History and Certain Corporate Matters" on page 133 for details of the changes in the authorised share capital.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The history of the equity share capital and the securities premium account of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Consideration	Reason for Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)	Cumulative Share Premium (₹)
September 6, 1993	140	10	10	Cash	Initial subscription to the Memorandum of Association	140	1,400	-
May 9, 1994	250,000	10	10	Cash	Preferential allotment	250,140	2,501,400	-
March 30, 1995	93,000	10	10	Cash	Preferential allotment	343,140	3,431,400	-

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Consideration	Reason for Allotment	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹)	Cumulative Share Premium (₹)
March 27, 1996	315,130	10	10	Cash	Preferential allotment	658,270	6,582,700	-
March 17, 1997	100,000	10	10	Cash	Preferential allotment	758,270	7,582,700	
March 27, 2006	758,270	10	-	Other than cash	Bonus issue(1)	1,516,540	15,165,400	-
March 21, 2007	13,648,860	10	-	Other than cash	Bonus issue(2)	15,165,400	151,654,000	-

(1) These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 1:1 undertaken pursuant to the resolutions of the Board and the Shareholders both dated March 27, 2006.

(2) These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 9:1 undertaken pursuant to the resolution of the Board dated March 21, 2007 and the resolution of the Shareholders dated February 21, 2007.

2. **Issue of Equity Shares for consideration other than cash and revaluation reserves**

The details of Equity Shares allotted for consideration other than cash and revaluation reserves are set out below:

Date of Allotment of the Equity Shares	Name of the Allottee	Number of the Equity Shares	Face Value (₹)	Issue Price (₹)	Reasons for Allotment	Benefits accrued to our Company
March 27, 2006	Gursaran Singh, Rachhpall Singh, Jasvinder Singh Seehra, Maninder Singh, Ranbir Singh, Gurdeep Singh, Mohinder Kaur, Harjinder Kaur	758,270	10	-	Bonus issue of Equity Shares in the ratio 1:1	Enhancement of the capital base of our Company
March 21, 2007(1)	Gursaran Singh, Rachhpall Singh, Jasvinder Singh Seehra, Maninder Singh, Ranbir Singh, Gurdeep Singh, Mohinder Kaur, Harjinder Kaur	13,648,860	10	-	Bonus issue of Equity Shares in the ratio 9:1	Enhancement of the capital base of our Company

(1) Our Company revalued its reserves on January 31, 2007.

3. **History of the Equity Share Capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 7,891,200 Equity Shares, constituting 52.03% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

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

Name of the Promoter	Date of Allotment / Transfer	Nature of Allotment	No. of Equity Shares	Nature of consideration	Face Value per Equity Share (₹)	Issue Price /Transfer Price per Equity Share (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)*	Source of funds
Jasvinder Singh Seehra	September 6, 1993	Initial subscription to the Memorandum of Association	20	Cash	10	10	0.00	0.00	Own funds
	May 9, 1994	Preferential Allotment	37,500	Cash	10	10	0.25	0.17	Own funds
	March 30, 1995	Preferential Allotment	20,000	Cash	10	10	0.13	0.09	Own funds
	March 27, 1996	Preferential Allotment	55,500	Cash	10	10	0.37	0.26	Own funds
	March 17, 1997	Preferential Allotment	18,500	Cash	10	10	0.12	0.09	Own funds
	March 27, 2006	Bonus Issue in the ratio of 1:1 (1)	131,520	Other than cash	10	-	0.87	0.61	-
	March 21, 2007	Bonus Issue in the ratio of 9:1 (2)	2,367,360	Other than cash	10	-	15.61	11.03	-
	Total		**2,630,400**				**17.34**	**12.25**	
Ranbir Singh	September 6, 1993	Initial subscription to Memorandum of Association	20	Cash	10	10	0.00	0.00	Own funds
	May 9, 1994	Preferential Allotment	37,500	Cash	10	10	0.25	0.17	Own funds
	March 30, 1995	Preferential Allotment	20,000	Cash	10	10	0.13	0.09	Own funds
	March 27, 1996	Preferential Allotment	55,500	Cash	10	10	0.37	0.26	Own funds
	March 17, 1997	Preferential Allotment	18,500	Cash	10	10	0.12	0.09	Own funds
	March 27, 2006	Bonus Issue in the ratio of 1:1 (1)	131,520	Other than cash	10	-	0.87	0.61	-
	March 21, 2007	Bonus Issue in the ratio of 9:1 (2)	2,367,360	Other than cash	10	-	15.61	11.03	-
	Total		**2,630,400**				**17.34**	**12.25**	
Gurdeep Singh	September 6, 1993	Initial subscription to Memorandum of Association	20	Cash	10	10	0.00	0.00	Own funds
	May 9, 1994	Preferential Allotment	37,500	Cash	10	10	0.25	0.17	Own funds
	March 30, 1995	Preferential Allotment	20,000	Cash	10	10	0.13	0.09	Own funds
	March 27, 1996	Preferential Allotment	55,500	Cash	10	10	0.37	0.26	Own funds
	March 17, 1997	Preferential Allotment	18,500	Cash	10	10	0.12	0.09	Own funds
	March 27, 2006	Bonus Issue in the ratio of 1:1 (1)	131,520	Other than cash	10	-	0.87	0.61	-
	March 21, 2007	Bonus Issue in the ratio of 9:1 (2)	2,367,360	Other than cash	10	-	15.61	11.03	-
	Total		**2,630,400**				**17.34**	**12.25**	

(1) *These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 1:1 undertaken pursuant to the resolutions of the Board and the Shareholders both dated March 27, 2006.*
(2) *These Equity Shares were allotted to the Shareholders on account of a bonus issue in the ratio of 9:1 undertaken pursuant to the resolutions of the Board and the Shareholders both dated February 21, 2007.*
* *Assuming full subscription to the Equity Shares offered in the Issue.*

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 Promoter Group*

Sr. No.	Name of the Promoter Group	Pre-Issue		Post-Issue*	
		No. of Equity Shares	%	No. of Equity Shares	%
1.	Maninder Singh	2,630,400	17.34	2,630,400	12.25
2.	Rachhpall Singh	1,790,400	11.81	1,790,400	8.34
3.	Gursaran Singh	1,365,400	9.00	1,365,400	6.36
4.	Mohinder Kaur	531,500	3.50	531,500	2.48
5.	Harjinder Kaur	531,500	3.50	531,500	2.48
6.	Kulwin Sehra	212,500	1.40	212,500	0.99
7.	Keerat Singh Sehra	212,500	1.40	212,500	0.99
	Total	**7,274,200**	**47.97**	**7,274,200**	**33.89**

* *Assuming full subscription to the Equity Shares offered in the Issue.*

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

Pursuant to the SEBI Regulations, 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment and our Promoter's shareholding in excess of 20% shall be locked-in for a period of one year from the date of Allotment.

Details of the Equity Shares to be locked-in for three years from the date of Allotment are as follows:

Name	Date of Allotment / Transfer and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Issue paid-up capital (%)*
Jasvinder Singh Seehra	September 6, 1993	Initial subscription to the Memorandum of Association	20	10	10	20	-
	May 9, 1994	Preferential Allotment	37,500	10	10	37,500	0.17
	March 30, 1995	Preferential Allotment	20,000	10	10	20,000	0.09
	March 27, 1996	Preferential Allotment	55,500	10	10	55,500	0.26
	March 17, 1997	Preferential Allotment	18,500	10	10	18,500	0.09
	March 27, 2006	Bonus Issue in the ratio of 1:1	131,520	10	-	131,520	0.61
	March 21, 2007	Bonus Issue in the ratio of 9:1	2,367,360	10	-	1,883,500	8.77
	Total (A)					**2,146,540**	**10.00**
Ranbir Singh	September 6, 1993	Initial subscription to Memorandum of Association	20	10	10	20	-
	May 9, 1994	Preferential Allotment	37,500	10	10	37,500	0.17
	March 30, 1995	Preferential Allotment	20,000	10	10	20,000	0.09
	March 27, 1996	Preferential Allotment	55,500	10	10	55,500	0.26
	March 17, 1997	Preferential	18,500	10	10	18,500	0.09

Name	Date of Allotment / Transfer and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Issue paid-up capital (%)*
		Allotment					
	March 27, 2006	Bonus Issue in the ratio of 1:1	131,520	10	-	131,520	0.61
	March 21, 2007	Bonus Issue in the ratio of 9:1	2,367,360	10	-	810,230	3.77
	Total (B)					**1,073,270**	**5.00**
Gurdeep Singh	September 6, 1993	Initial subscription to Memorandum of Association	20	10	-	20	0.00
	May 9, 1994	Preferential Allotment	37,500	10	10	37,500	0.17
	March 30, 1995	Preferential Allotment	20,000	10	10	20,000	0.09
	March 27, 1996	Preferential Allotment	55,500	10	10	55,500	0.26
	March 17, 1997	Preferential Allotment	18,500	10	10	18,500	0.09
	March 27, 2006	Bonus Issue in the ratio of 1:1	131,520	10	-	131,520	0.61
	March 21, 2007	Bonus Issue in the ratio of 9:1	2,367,360	10	-	810,230	3.77
	Total (C)					**1,073,270**	**5.00**
Total (A+B+C)						**4,293,080**	**20.00**

* *Assuming full subscription to the Equity Shares offered in the Issue.*

The Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 33 of the SEBI Regulations.

Other requirements in respect of lock-in:

In addition to 20% of the fully diluted post-Issue shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Issue equity share capital of our Company shall be locked-in for a period of one year from the date of Allotment.

The Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment cannot be pledged since our Company has not obtained, and does not propose to obtain, any financing for the objects of the Issue. 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.

The Equity Shares held by our Promoters which are locked-in may be transferred amongst the Promoters, 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.

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 Issue may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Equity Shares allotted to Anchor Investors in the Anchor Investor Portion, if any, shall be locked-in for a period of 30 days from the date of Allotment.

4. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus and as adjusted for the Issue:

Category Code	Category of Shareholder	Number of Shareholders	Pre-Issue				Post-Issue*				Pre-Issue		Post-Issue	
			Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares*		Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered			
					As a Percentage of (A+B)	As a Percentage of (A+B+C)			As a Percentage of (A+B)	As a Percentage of (A+B+C)	No. of Shares	As a Percentage	No. of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)								
(A)	**Promoter and Promoter Group**													
A. 1	**Promoters**													
(a)	Jasvinder Singh Seehra	1	2,630,400	2,630,400	17.34	17.34	2,630,400	2,630,400	12.25	12.25	-	-	-	-
(b)	Ranbir Singh	1	2,630,400	2,630,400	17.34	17.34	2,630,400	2,630,400	12.25	12.25	-	-	-	-
(c)	Gurdeep Singh	1	2,630,400	2,630,400	17.34	17.34	2,630,400	2,630,400	12.25	12.25	-	-	-	-
	Sub Total A.1:	**3**	**7,891,200**	**7,891,200**	**52.03**	**52.03**	**7,891,200**	**7,891,200**	**36.76**	**36.76**	**-**	**-**	**-**	**-**
A.2	**Promoter Group**	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Maninder Singh	1	2,630,400	2,630,400	17.34	17.34	2,630,400	2,630,400	12.25	12.25	-	-	-	-
(b)	Rachhpall Singh	1	1,790,400	1,790,400	11.81	11.81	1,790,400	1,790,400	8.34	8.34	-	-	-	-
(c)	Gursaran Singh	1	1,365,400	1,365,400	9.00	9.00	1,365,400	1,365,400	6.36	6.36	-	-	-	-
(d)	Mohinder Kaur	1	531,500	531,500	3.50	3.50	531,500	531,500	2.48	2.48	-	-	-	-
(e)	Harjinder Kaur	1	531,500	531,500	3.50	3.50	531,500	531,500	2.48	2.48	-	-	-	-
(f)	Kulwin Sehra	1	212,500	212,500	1.40	1.40	212,500	212,500	0.99	0.99	-	-	-	-
(g)	Keerat Singh Sehra	1	212,500	212,500	1.40	1.40	212,500	212,500	0.99	0.99				
	Sub Total A.2:	**-**	**7,274,200**	**7,274,200**	**47.97**	**47.97**	**7,274,200**	**7,274,200**	**33.89**	**33.89**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1) + (A)(2)	**10**	**15,165,400**	**15,165,400**	**100.00**	**100.00**	**15,165,400**	**15,165,400**	**70.65**	**70.65**	**-**	**-**	**-**	**-**
(B) Public shareholding														
1	**Institutions**													
(a)	Mutual Funds / UTI	-	-	-	-	-	6,300,000	6,300,000	29.35	29.35	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-					-	-	-	-
(c)	Central / State Government(s)	-	-	-	-	-					-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-					-	-	-	-
(e)	Insurance Companies	-	-	-	-	-					-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-					-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-					-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-					-	-	-	-
(I)	Others (Specify)	-	-	-	-	-					-	-	-	-
	Sub Total (B)(1):	-	-	-	-	-					-	-	-	-
B 2.	**Non-Institutions**	-	-	-	-	-					-	-	-	-
(a)	Bodies Corporate	-	-	-	-	-					-	-	-	-
(b)	Individual	-	-	-	-	-					-	-	-	-
(i)	Individual Shareholders Holding Nominal Share Capital up to ₹ 1 lakh	-	-	-	-	-					-	-	-	-
(ii)	Individual Shareholders Holding Nominal Share Capital in excess of ₹ 1 lakh	-	-	-	-	-					-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-					-	-	-	-
(d)	Any Others (Specify)	-	-	-	-	-					-	-	-	-
	Sub Total (B)(2):	-	-	-	-	-	**6,300,000**	**6,300,000**	**29.35**	**29.35**	-	-	-	-
	Total (B)=(B)(1) + (B)(2)	-	-	-	-	-	**6,300,000**	**6,300,000**	**29.35**	**29.35**	-	-	-	-
	Total (A) + (B)	**10**	**15,165,400**	**15,165,400**	**100.00**	**100.00**	**21,465,400**	**21,465,400**	**100.00**	**100.00**	-	-	-	-
(C)	**Shares held by Custodians**	-	-	-	-	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	Number of Shareholders	Pre-Issue				Post-Issue*				Pre-Issue		Post-Issue	
			Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares*		Total Number of Shares	Number of Shares held in Dematerialised form	Total Shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered			
					As a Percentage of (A+B)	As a Percentage of (A+B+C)			As a Percentage of (A+B)	As a Percentage of (A+B+C)	No. of Shares	As a Percentage	No. of Shares	As a Percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)								
	and against which Depository Receipts have been issued													
											-	-	-	-
(i)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**10**	**15,165,400**	**15,165,400**	**100.00**	**100.00**	**21,465,400**	**21,465,400**	**100.00**	**100.00**	-	-	-	-
(D)	**Public pursuant to the Issue**	-	-	-	-	-	**6,300,000**	**6,300,000**	**29.35**	**29.35**	-	-	-	-
	Grand Total (A)+(B)+(C)+(D)	**10**	**15,165,400**	**15,165,400**	**100.00**	**100.00**	**21,465,400**	**21,465,400**	**100.00**	**100.00**	-	-	-	-

** Assuming full subscription to the Equity Shares offered in the Issue.*

5. There are no public shareholders of our Company holding more than 1% of the pre-Issue paid up capital of our Company.

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

(a) The top 10 shareholders of our Company as on the date of filing of this Draft Red Herring Prospectus and 10 days prior to filing of the Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Jasvinder Singh Seehra	2,630,400	17.34
2.	Ranbir Singh	2,630,400	17.34
3.	Gurdeep Singh	2,630,400	17.34
4.	Maninder Singh	2,630,400	17.34
5.	Rachhpall Singh	1,790,400	11.81
6.	Gursaran Singh	1,365,400	9.00
7.	Mohinder Kaur	531,500	3.50
8.	Harjinder Kaur	531,500	3.50
9.	Kulwin Sehra	212,500	1.40
10.	Keerat Singh Sehra	212,500	1.40
Total		**15,165,400**	**100.00**

(b) The top 10 shareholders of our Company two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

S. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Jasvinder Singh Seehra	2,630,400	17.34
2.	Ranbir Singh	2,630,400	17.34
3.	Gurdeep Singh	2,630,400	17.34
4.	Maninder Singh	2,630,400	17.34
5.	Rachhpall Singh	1,790,400	11.81
6.	Gursaran Singh	1,790,400	11.81
7.	Mohinder Kaur	531,500	3.50
8.	Harjinder Kaur	531,500	3.50
Total		**15,165,400**	**100.00**

7. **Details of the Equity Shares held by our Directors**

Set out below are the details of the Equity Shares held by our Directors:

S. No.	Name	No. of Equity Shares	Pre-Issue (%)	Post-Issue (%)*
1.	Rachhpall Singh	1,790,400	11.81	8.34
2.	Gursaran Singh	1,365,400	9.00	6.36
3.	Jasvinder Singh Seehra	2,630,400	17.34	12.25
4.	Ranbir Singh	2,630,400	17.34	12.25
5.	Gurdeep Singh	2,630,400	17.34	12.25
6.	Kulwin Sehra	212,500	1.40	0.99

* *Assuming full subscription to the Equity Shares offered in the Issue.*

8. Except as stated in the section entitled "Our Management" on page 138, none of our key management personnel hold any Equity Shares in our Company.

9. None of our Promoters, members of the Promoter Group or Directors have purchased or subscribed to or sold any securities of our Company within the three years immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1%

of pre-Issue capital of our Company.

10. Our Company does not have any employee stock option plan.

11. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (in accordance with the definition of "associate company" as provided under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.

12. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.

13. During the last one year, the Company has not issued any Equity Shares at a price that may be lower than the Issue Price.

14. None of the members of the Promoter Group, our Promoters or our Directors and their relatives have purchased or sold equity shares of our Company or our Subsidiary, during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

15. As of the date of this Draft Red Herring Prospectus, our Company had 10 Shareholders.

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

17. The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, 200,000 Equity Shares aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received at or above Issue Price. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. Under subscription, if any, in the Net Issue would be allowed to be met with the Employee Reservation Portion.

18. Only Eligible Employees bidding in the Employee Reservation Portion are eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees bidding in the Employee Reservation Portion could also be made in the Net Issue and such Bids would not be treated as multiple Bids. The Employee Reservation Portion shall not exceed 5% of the post-Issue capital of our Company.

19. As on the date of this Draft Red Herring Prospectus, there were no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

20. Except the bonus issues made in March 2007, our Company has not issued any Equity Shares out of revaluation reserves. For details of the bonus issue, please see the section entitled "Capital Structure– Share Capital History of our Company" on page 58.

21. All Equity Shares allotted pursuant to the Issue will be fully paid up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

22. Oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding-off

to the nearer multiple of minimum Allotment lot.

23. Our Promoters and Promoter Group will not participate in the Issue.

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

25. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue 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 through issue of bonus shares or on a rights basis or through a further public issue of Equity Shares or qualified institutions placements or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to receipt of necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.

26. 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 the Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue will be utilised towards the following objects:

1. Purchase of plant and machinery;

2. To meet working capital requirements; and

3. General corporate purposes.

The main objects clause of our Memorandum of Association enables our Company to undertake our existing business activities and the activities for which funds are being raised by us through the Issue.

The details of the Net Proceeds are set forth in the following table:

Particulars[(1)]		**Estimated Amount (In ₹ million)**
Gross proceeds of the Issue		[●]
Less	Issue expenses	([●])
Net Proceeds		**[●]**

[(1)] To be determined on finalisation of the Issue Price and updated in the Prospectus prior to the filing with the Registrar of Companies.

Requirements of Funds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

Particulars	**Amount (In ₹ million)**
Purchase of plant and machinery	800.73
To meet working capital requirements	350.00
General corporate purposes[(1)]	[●]

[(1)] To be determined on finalisation of the Issue Price and updated in the Prospectus prior to filing with the Registrar of Companies.

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

Means of Finance

The entire requirement of funds towards objects of the Issue will be met from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule for Utilisation of the Net Proceeds

(In ₹ million)

Particulars	**Total estimated cost**	**Estimated utilisation in Fiscal 2016**	**Estimated utilisation in Fiscal 2017**
Purchase of plant and machinery	800.73	-	800.73
To meet working capital requirements	350.00	-	350.00
General corporate purposes[(1)]	[●]	[●]	[●]
Total[(1)]	[●]	**[●]**	**[●]**

[(1)] To be determined on finalisation of the Issue Price and updated in the Prospectus prior to filing with the Registrar of Companies.

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

Details of Utilisation of Net Proceeds

The details of utilisation of the Net Proceeds are set forth below:

1. *Purchase of plant and machinery*

We regularly purchase plant and machinery for undertaking our business. The quantum and the nature of plant and machinery purchased depend upon a variety of factors, including modernisation and adoption of cost-effective technology. We propose to utilise ₹ 800.73 million out of the Net Proceeds towards purchase of plant and machinery including CNC machines, equipment for the forging shop, utility and power generator, testing equipments, raw material cutting machines, machines for the heat treatment shop and induction shop. However, the specific number and nature of the equipment to be purchased by our Company will depend on our business requirements, which are dynamic and may evolve with the passage of time.

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

Sr. No.	Description of the Equipment	Purchase Quantity	Unit Cost[(1)] (In ₹ million)	Total Amount[(1)] (In ₹ million)	Details Related to the Quotation Obtained	
					Name of the Vendor	Date of the Quotation
1	Doosan Infracore Powerful Heavy duty turning center Model Puma 4100 LMA with 0iT FANUC controller [(4)]	2.00	13.69	27.37	Techtronics (India) Limited	August 10, 2015
2	Doosan Infracore Powerful, Heavy Duty Turning center Model PUMA 4100C With 0it Fanuc controller [(4)]	3.00	12.26	36.77	Techtronics (India) Limited	August 10, 2015
3	Special purpose Vertical Moving column Machine	6.00	5.69	34.11	Bharat Fritz Werner Limited	August 5, 2015
4	CNC Universal Cylindrical Grinding Machine Eco Grinder [(6)]	2.00	12.32	24.64	Fritz Studer AG	August 5, 2015
5	Screw Press with Direct Drive 270 L [(5)]	1.00	173.01	173.01	Ficep, S.P.A	August 7, 2015
6	Induction Hardening machine (500 KW, I KHz double spindle)	2.00	9.96	19.92	Inductotherm (India) Private Limited	August 28, 2015
7	Surfex Continuous hanger type shot Blasting machine Model – ASH-120-120/3W-2/CL/PLC	2.00	3.50	7.00	Surface Finishing Equipment co.	August 10, 2015
8	Electro upsetting machine type RI0300X2 DC [(5)]	3.00	57.66	172.98	Cemsa	August 13, 2015
9	Robot Model IRB 7600/500 kg/2550mm	8.00	6.40	51.20	ABB India Limited	August 13, 2015
10	Induction End Bar Heating Machine	1.00	16.90	16.90	Inductotherm (India) Private Limited	August 30, 2015
11	1010 kVA (silent) Cummins DG Set.	4.00	6.60	26.40	Sudhir Power Limited	August 10, 2015
12	XL2 800 Alloy Analyzer [(4)]	1.00	1.28	1.28	Hillsborough Scientific & Technical Equipment Trading FZE	August 12, 2015
13	Micro Vickers Hardness Tester [(7)]	2.00	0.77	1.53	Blue Star Limited	August 12, 2015
14	Brinell Hardness testing Machine Model B-3000	1.00	0.17	0.17	Blue Star Limited	August 12, 2015
15	Universal Testing Machine Model UTE 40	2.00	0.45	0.89	Blue Star Limited	August 12, 2015
16	Automatic Line for the Sawing of round and square Bars Model S 56 [(5)]	2.00	30.06	60.12	Ficep S.P.A	August 18, 2015

Sr. No.	Description of the Equipment	Purchase Quantity	Unit Cost(1) (In ₹ million)	Total Amount(1) (In ₹ million)	Details Related to the Quotation Obtained	
					Name of the Vendor	Date of the Quotation
17	Escorts Doosan Diesel Forklift Model: D50SC-5 of 5.0 MT capacity@ 500mm Load center, Diesel operated Forklift Equipped with Shoe Brakes, STD Mast (2-stage) of MFH 4850mm, Dual pneumatic tires & Fork length 1200 mm (4)	4.00	2.45	9.81	Escort Limited	March 17, 2015
18	E.O.T CRANE CAPACITY - 10 TON	3.00	1.63	4.88	Asian Cranes & Elevators	August 4, 2015
19	Isothermal Annealing Plant 4 TPH capacity	2.00	61.50	123.00	Kalyani Technotherm Ltd.	August 2, 2015
20	Abrasive cutting Machine XXL Auto (Model Baincut –XXLA)	2.00	3.58	7.15	Chennai metco	August 10, 2015
21	Fully Automatic Grinder/ Polisher Model: BAINPOL - AUTO	2.00	0.81	1.61	Chennai metco	August 10, 2015
				800.73		

(1) *The specified amounts are in ₹ million.*

(2) *The specified amounts are subject to applicable taxes.*

(3) *Apart from the taxes already included in the specified amount, any other statutory levies (state and central) shall be to our Company's account.*

(4) *The quotations were provided in USD and have been converted at the RBI reference rate of 1 USD = ₹ 66.31 as at August 31, 2015.*

(5) *The quotations were provided in Euros and have been converted at the RBI reference rate of 1 Euro = ₹ 74.50 as at August 31, 2015.*

(6) *The quotations were provided in CHF and have been converted at the RBI reference rate of 1 CHF = ₹ 68.66 as at August 31, 2015.*

(7) *The quotations were provided in Japanese Yen and have been converted at the RBI reference rate of 1 Japanese Yen = ₹ 0.55 as at August 31, 2015.*

Our Company does not intend to purchase any second hand plant and machinery. Further, each unit of the plant and machinery proposed to be purchased by our Company (as set out in the table above) is proposed to be purchased in a ready to use condition.

2. *To meet working capital requirements*

Our business is working capital intensive and we avail majority of our working capital in the ordinary course of our business from various banks. As of the March 31, 2015, our Company's working capital facility consisted of an aggregate fund based limit of ₹ 800.00 million and an aggregate non-fund based limit of ₹ 105.00 million. As of March 31, 2015, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities were ₹ 691.88 million and ₹ 50.30 million, respectively. For further details of the working capital facility currently availed by us, please see the section entitled "Financial Indebtedness" on page 217.

Our Company requires additional working capital for reducing its existing dependence on creditors.

Basis of estimation of working capital requirement

The details of our Company's working capital requirements as at March 31, 2015 as certified by our Statutory Auditors by way of the certificate dated September 23, 2015 and funding of the same are as set out in the table below:

(In ₹ million)

Sr. No.	Particulars	Amount (As at March 31, 2015)
I.	***Current Assets***	
1.	Inventories	919.36
(a).	*Raw material*	365.41
(b).	*Work-in-progress*	489.95
(c).	*Finished goods*	64.00

Sr. No.	Particulars	Amount (As at March 31, 2015)
2.	Trade Receivables	1,218.52
3.	Cash and bank balances	4.22
4.	Investments (Short Term)	0.00
5.	Loans and advances	382.55
	Total current assets (A)	**2,524.65**
II.	***Current Liabilities***	
1.	Trade Payable	1,477.97
2.	Advance From Customer (Due in 1 year)	0.00
3.	Other current liabilities and provisions	300.78
	Total current liabilities (B)	**1,778.75**
III.	**Total Working Capital Requirements (A - B)**	**745.90**
IV.	**Funding Pattern**	
1.	Working Capital funding from banks	691.88
2.	Short Term Loan from banks/FIs	-
3.	Internal accruals	54.02

The details of our Company's estimated working capital requirements as at March 31, 2017 as certified by our Statutory Auditors by way of the certificate dated September 23, 2015 and funding of the same are as set out in the table below:

Sr. No.	Particulars	As at March 31, 2017
I.	***Current Assets***	
1.	Inventories	1,250.00
(a).	*Raw material*	434.00
(b).	*Work-in-progress*	639.00
(c).	*Finished goods*	177.00
2.	Trade Receivables	1,945.00
3.	Cash and bank balances	223.00
4.	Investments (Short term)	0.00
5.	Loans and advances	420.00
	Total current assets (A)	**3,838.00**
II.	***Current Liabilities***	
1.	Trade Payable	1,393.00
2.	Advance From Customer (Due in 1 year)	0.00
3.	Other current liabilities and provisions	328.00
	Total current liabilities (B)	**1,721.00**
III.	**Total Working Capital Requirements (A - B)**	**2,117.00**
IV.	**Proposed Funding Pattern**	
•	Working capital funding from banks	901.00
•	Internal Accruals	866.00
•	Part of the Issue proceeds	350.00
	Total	**2,117.00**

Assumptions for working capital requirements

Holding Levels

Sr. No.	Particulars	For the year ending March 31, 2017
1.	Inventories	

Sr. No.	Particulars	For the year ending March 31, 2017
(a).	*Raw material*	40 days
(b).	*Work-in-progress*	45 days
(c).	*Finished goods*	12 days

Other Material Assumptions

Element of Working Capital	Basis for Assumption	For the year ending March 31, 2017
Trade Receivables (Exports)	Days	140 days
Trade Receivables (Domestic)	Days	76 days
Other Current Assets	Net sales	7.00%
Trade Payables	Days	100 days
Short Term Provisions	% of Operating Expenses	5.60%
Working Capital Funding available		40.98%
Interest Rate on Working Capital Loan	Cash credit	12.75%
Interest Rate on Working Capital Loan	PCFC	3.50%

3. *General Corporate Purposes*

Our Company proposes to deploy the balance Net Proceeds (after utilising the Net Proceeds towards purchase of plant and machinery and meeting working capital requirements) aggregating ₹ [●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations, including but not limited to strategic initiatives, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilising any surplus amounts.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs and Registrar to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges as agreed in terms of the Issue Agreement. The break-up for the Issue expenses is as follows:

Activity	Estimated expenses(1) (in ₹ million)	As a % of the total estimated Issue expenses(1)	As a % of the total Issue size(1)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs(2) and Bankers to the Issue	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers(3)	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Other advisors to the Issue	[●]	[●]	[●]

Activity	Estimated expenses[(1)] (in ₹ million)	As a % of the total estimated Issue expenses[(1)]	As a % of the total Issue size[(1)]
Others			
- Listing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
- Printing and stationary	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

(1) *Amounts will be finalised at the time of filing the Prospectus and on determination of Issue Price and other details.*

(2) *The SCSBs would be entitled to processing fees of ₹ [●] (excluding service tax) per Bid cum Application Form, for processing the Bid cum Application Forms procured by the members of the Syndicate or the Registered Brokers and submitted to the SCSBs.*

(3) *₹ [●] (excluding service tax) per Bid cum Application Form for every valid Bid collected by Registered Brokers from the Retail Individual Bidders and the Non-Institutional Bidders.*

Interim use of proceeds

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds of the Issue pending utilization for the purposes stated in this section, shall be deposited only in scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

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

Monitoring of Utilisation of Funds

Since the proceeds from the Issue does not exceed ₹ 5,000 million, in terms of Regulation 16 of the SEBI Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board will monitor the utilisation of the proceeds of the Issue. The Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee of the Board of Directors the uses and applications of the Issue Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee of the Board of Directors. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with clause 43A of the Equity Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

Variation in Objects

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

Appraising Entity

None of the objects of the Issue for which the Net Proceeds will be utilized have been appraised.

Other Confirmations

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel. We further confirm, that the amount raised by our Company through the Issue shall not be utilised towards buying, trading or otherwise dealing in equity shares of any other listed company.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company 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 Issue Price is [●] times the face value. The Floor Price is [●] the face value and the Cap Price is [●] the face value.

Bidders are requested to please see sections entitled "Risk Factors", "Our Business", and "Financial Statements" on pages 16, 114 and 218, respectively, to make an informed investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Issue Price are as follows:

- Among the Leading Manufacturers of Axle Shafts in India;
- Diverse Product Range of Axle Shafts and Spindles;
- Strong Long Term Customer Relationships and Diversified Customer Base;
- Manufacturing Facilities with Large Capacity and Modern Machinery;
- Highly Qualified Management and Skilled Employee Base;
- Strong Engineering, Product Development and Technological Capabilities; and
- Consistent Financial Performance and Strong Financial Position.

For further details, please see the section entitled "Our Business - Our Competitive Strengths" on page 115.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please see the section titled "Financial Statements" on page 171.

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

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As per the Restated Financial Statements of our Company:

Year Ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2013	3.17	3.17	1
March 31, 2014	8.75	8.75	2
March 31, 2015	14.24	14.24	3
Weighted Average	10.57	10.57	

Notes:

- *EPS calculation is in accordance with Accounting Standard 20 "Earnings per share" issued by ICAI*

Basic Earnings per share (₹) $= \dfrac{\text{Net profit after tax (as restated) attributable to equity Shareholders}}{\text{Weighted average number of equity shares outstanding during the period/ year}}$

Diluted Earnings per share (₹) $= \dfrac{\text{Net profit after tax (as restated)}}{\text{Weighted average number of diluted equity shares outstanding during the period/year}}$

- *The face value of each Equity Share is ₹ 10*

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

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price band (no. of times)
Basic EPS for Fiscal 2015	[●]	[●]
Diluted EPS for Fiscal 2015	[●]	[●]

Industry P/E ratio

Talbros Engineering Limited ("**TEL**") is the only listed industry peer of our Company. Based on publicly available information, the revenue and scale of operations of TEL are not comparable with those of our Company. The P/E ratio for TEL is 11.69 (computed on the basis of EPS for Fiscal 2015 and closing share price as on September 22, 2015).

3. Average Return on Net Worth ("RoNW")

As per Restated Financial Statements of our Company:

Particulars	RoNW %	Weight
Fiscal 2013	6.13	1
Fiscal 2014	14.49	2
Fiscal 2015	19.17	3
Weighted Average	15.44	

4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, 2015:

Particulars	At Floor Price	At Cap Price
To maintain pre-Issue basic EPS	[●]%	[●]%
To maintain pre-Issue diluted EPS	[●]%	[●]%

5. Net Asset Value per Equity Share of face value of ₹ 10 each

i. Net asset value per Equity Share as on March 31, 2015 is ₹ 74.29.

ii. After the Issue:
   a. At the Floor Price: ₹ [●]
   b. At the Cap Price: ₹ [●]

iii. Issue Price: ₹ [●]

6. Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Standalone / Consolidated	Face Value (Rs. Per share)	EPS (`)		NAV (` per share)	P/E	RONW (%)
			Basic	Diluted			
GNA Axles Limited(1)	Standalone	10	14.24	14.24	74.29	[●]	19.17
Peer Group							
Talbros Engineering Limited (2)	Standalone	10	17.92	17.92	128.26	11.69 (3)	13.97

(1) Based on Restated Financial Statements for the year ended March 31, 2015
(2) Based on the annual report for the year ended March 31, 2015
(3) Based on the closing price on September 22, 2015

7. **Comparison of Profitability Margins with Listed Industry Peers**

Name of Company	Standalone / Consolidated	Face Value (Rs. Per share)	EBITDA Margin[2] (In %)			PAT Margin[3] (In %)			Return on Net Worth[4] (In %)		
			Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2015	Fiscal 2014	Fiscal 2013
GNA Axles Limited[1]	Standalone	10	14.16	12.62	12.60	5.02	3.28	1.38	19.17	14.49	6.13
Peer Group											
Talbros Engineering Limited[5]	Standalone	10	9.81	10.28	10.32	3.53	3.24	3.88	13.97	12.94	22.76

(1) Based on Restated Financial Statements for the year ended March 31, 2015
(2) EBITDA Margin = EBITDA / Total Revenue
(3) PAT Margin = Profit After Tax / Total Revenue
(4) Return on Net Worth = Profit After Tax / Net Worth
(5) Based on the annual report for the year ended March 31, 2015

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process. Our Company and the BRLMs believe that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with the sections entitled "Risk Factors" and "Financial Statements" on pages 16 and 171, respectively, to make an informed decision.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND IT'S SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To
The Board of Directors
GNA Axles Limited
1-C, Chhoti Baradari,
Garha Road, Part-II,
Jalandhar

Dear Sirs,

Sub: Statement of possible Special Tax Benefits (the 'Statement') available to the GNA Axles Limited and its shareholders under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 (the 'Regulations').

We hereby confirm that the enclosed annexure, prepared by GNA Axles Limited ('the Company') states the possible special tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('the Act') and the Wealth Tax Act, 1957 (collectively referred to as Tax Laws) presently in force in India (*i.e.* applicable for the Accounting year 2015-16 relevant to the Assessment year 2016-17). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only Special tax benefits and general tax benefits. Further, the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

The Direct Tax Code (proposed to replace the Income Tax Act, 1961 and Wealth Tax Act, 1957) may undergo changes by the time it is actually introduced and hence, at the moment, it is unclear when will it come into effect and what effect the proposed Direct Tax Code would have on the Company and the investors. We have accordingly made no comment on impact of the proposed Direct Tax Code.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

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

For G.S Syal & Co.,
Chartered Accountants

(Gurcharan Singh)
Proprietor
M. No. 080075
RN :000457N

Place: Jalandhar
Dated: September 10, 2015

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFIT AVAILABLE TO GNA AXLES LIMITED ("THE COMPANY") (INCLUDING ITS RELEVANT SUBSIDIARIES) AND ITS SHAREHOLDERS UNDER THE APPLICATION TAX LAWS IN INDA

Outlined below are the possible Special tax benefits available of the Company and its shareholders under the current tax laws in India (i.e. applicable for the Accounting year 2015-16 relevant to the Assessment year 2016-17.). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

A) <u>Special tax benefits available to the Company</u>

There are no special tax benefits available to the Company.

B) Benefits to the company under the Act

1. General tax benefits

➢ Business Income

The company is entitle to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per the provisions of section 32 of the Act. The company is also entitled to claim additional depreciation as per the rates prescribed by the Act on Plant & Machinery used for production. Unabsorbed business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent assessment years. Unabsorbed deprecation, if any, for an assessment year can be carried forward and set-off against any source of income in subsequent years.

➢ MAT Credit

- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax ('MAT') paid for any assessment year commencing on or after 1 April 2006. The amount of credit available shall be the difference between MAT paid under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act. MAT credit shall be allowed for set-off for subsequent assessment years to the extent of difference between the tax payable as per the normal provisions of the Act and the taxes payable under Section 115JB of the Act for the assessment year.

- MAT credit is eligible for carry forward and set-off for up to 10 years succeeding the assessment year in which the MAT credit arises.

➢ As per provisions of Section 80G/80GGB of the Act, the Company is entitled to claim deduction of specified amount in respect of eligible donations and contribution to any political party, subject to the fulfillment of the conditions specified in that section.

C) Benefit to the shareholders of the Company under the Act.

(a) Dividends exempt under section 10(34) of the Act

➢ As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the resident members/shareholders from the Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 17.647 plus a surcharge of 12% on the dividend distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of dividend distribution tax and surcharge thereon on the total amount distributed as dividend.

D) Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.

- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax is not applicable on shares held in a company.

For G.S Syal & Co.,
Chartered Accountants

(Gurcharan Singh)
Proprietor
M. No. 080075
RN :000457N

Place: Jalandhar
Dated: September 10, 2015

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from reports of various government agencies, market research reports and other publicly available sources. This data may have been reclassified by us for the purpose of presentation. Unless stated otherwise, information in this section has been included from 'Axle Shaft and Spindle Market" dated September 2015 issued by CRISIL Research, a division of CRISIL Limited ("**CRISIL Report**"). Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

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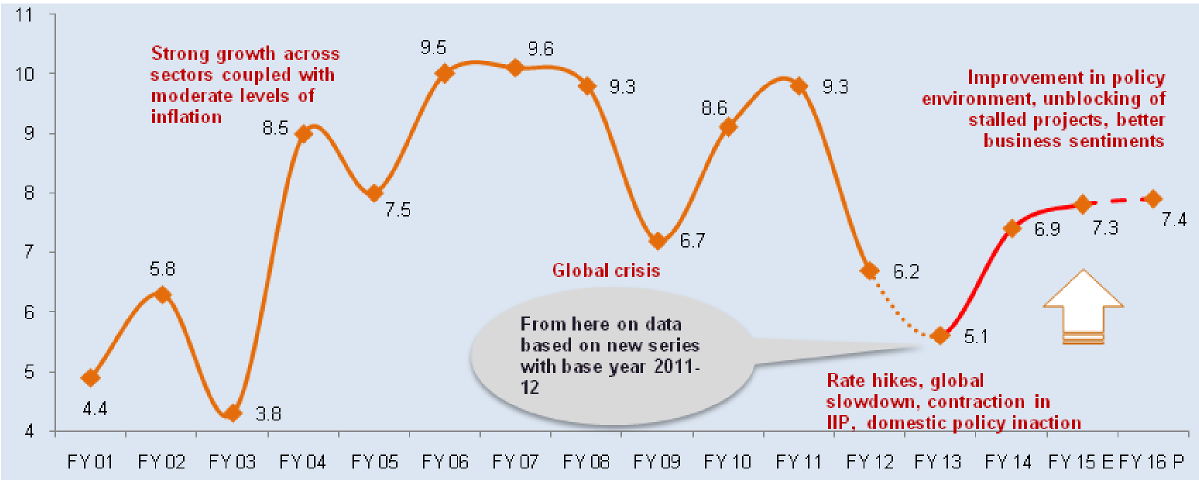
Economy Overview

India

The size of the Indian economy was ₹125.41 trillion in 2014-15, of which the services sector contributed around 52.5%, industry around 31.3% and remaining 16% was agriculture. During the last ten years, the GDP has grown at a CAGR of 7.9% with services leading the growth at an average 9%, followed by industrial growth at 8% while agriculture has only grown at 3.6% CAGR in the same period.

India: GDP Growth



Note: Real GDP at 2004-05 base prices till Fiscal 2012; P=Projected

(Source: Central Statistical Organisation, as per old data series till Fiscal 2012, new series since Fiscal 2013)

Global slowdown puts a dent in the growth trajectory

Post 2011-12, economic growth plunged due to slowdown in investments, high inflation and weak consumer sentiments. The average growth during 2011-12 and 2012-13 was a meagre 5.7%, which came down from around 9% in the earlier years. However, in the last two years there has been a recovery in GDP growth which is expected to continue in future.

Economic revival seen from 2015-16 onwards led by improving industrial activity

In 2015-16, economic growth is expected to be primarily led by industrial activity as revival in service and agricultural sectors would remain fragile. Low inflation (due to lower oil prices) and improving income visibility will support this growth. From an average US$64.1/barrel in May 2015, the price of Brent crude oil touched a low of US$45/barrel in August 2015. Global crude oil prices are expected to average US$60-65/barrel in 2015-16, as compared with US$85/barrel in 2014-15, which will ease inflation. This would support consumption as lower inflation would result in greater real purchasing power. CPI inflation is expected to average 5.8% in 2015-16, down from 6% in 2014-15.

Second consecutive year of deficient rainfall to impact agri GDP

As we approach the end of this monsoon, the IMD appears set to be vindicated on its 12% rain deficiency call. From a surplus in June, rainfall was down to 6% below the long period average as of July 31, 2015, and has fallen further to 12% deficient by August 2015 end at all-India level. Spatial distribution shows that rains have been weak in certain pockets. Large food grain producing states such as Uttar Pradesh, Punjab, Haryana and Maharashtra are reeling under a rainfall deficiency of 24% to 30% which is affecting sowing. This casts a shadow over agricultural production and hence agricultural GDP is expected to grow at 1.5% in 2015-16, well below the long-term trend and weak, given that it comes on a low base of 2014-15 (0.2%).

Interest rates expected to trend lower with decline in inflation to comfortable levels

With inflation under control, the RBI is expected to deliver another 25-50 basis points (bps) reduction in interest rates in the current fiscal, which would also stimulate demand. Also, the RBI's consumer confidence index indicates rising trends that indicate better prospects for consumption growth. However in the absence of any fiscal or significant monetary stimulus, the revival would only be mild.

Lower inflation and improvement in consumer sentiment to increase consumption expenditure

Revival in consumption demand is expected to aid the recovery in industry GDP growth. In 2015-16, it is expected to grow at 6.5% as compared to 6.1% in the last fiscal. Further, the same would be supported by better mining output (iron-ore) and investments in infrastructure picking up. The three month moving average of the IIP series is showing improving growth. This would improve capacity utilisation rates, and hence will lead to revival of private investment over the next 12-18 months.

Devaluation of the Yuan and expectation of rate hikes by the U.S. Federal Reserve to keep currency market volatile

Another key development has been devaluation of Chinese currency. It caused currency volatility across emerging markets including India. The next event, with potential to cause volatility in capital and forex markets, is the impeding decision by the U.S. Federal Reserve to raise interest rates. In the base case scenario, the rupee is expected to settle at 64/US$ by end-March 2016 versus 62.6/US$ in 2014-15.

Indian economic growth expected to pick up in the coming years

India is in a much better position with its low current account deficit and high forex reserves compared to other emerging markets. With the Government's proactive stance towards policy reform and RBI's resolve to tame inflation and reduce volatility in the currency market, India is well prepared to withstand headwinds in the global economy. Balancing current risks, GDP growth is expected to rise to 7.4% from 7.3% in Fiscal 2015. On the demand side, consumption revival is expected to be moderate, cushioned somewhat by lower inflation and interest-rate cuts.

North America

North America comprises 23 sovereign states and accounts for almost 26% of global GDP

The three major economies of North America: the United States of America (U.S.), Canada and Mexico contribute about 98% of North American GDP. These countries also form the trilateral trade bloc North American Free Trade Agreement ("**NAFTA**").

The U.S. had a GDP of around US$17 trillion in 2014. It has a very high per capita income and accounts for almost one-fifth of nominal world output. Canada is also a highly developed country with a GDP of US$1.78 trillion in 2014. It is a relatively diversified and export-oriented economy, due to which global growth, especially that of the U.S., significantly influences Canada, since the U.S. is its largest trading partner. Mexico is the third largest economy in North America, with a GDP of US$1.28 trillion in 2014. About one-third of government revenue comes from the oil industry, much of which is bought by the U.S.

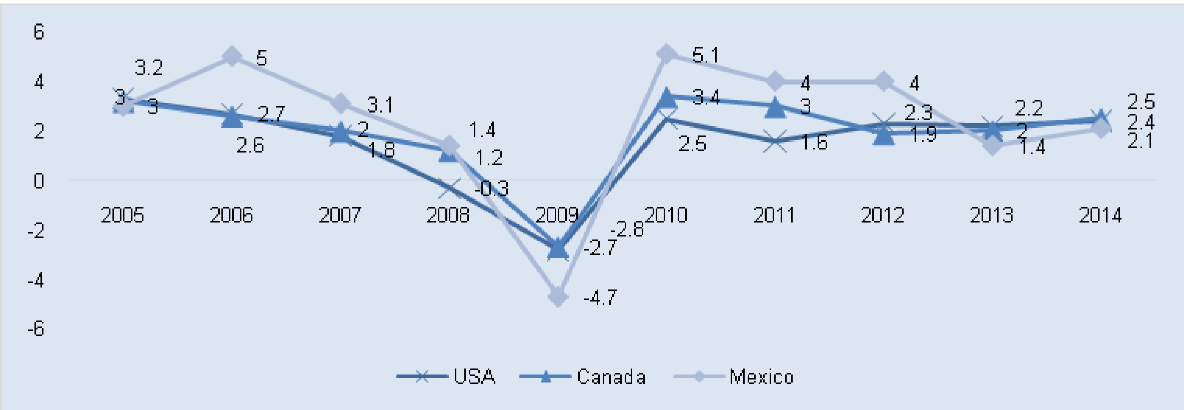
Services is the primary economic sector in the North American GDP

Service sector contributes to around 76% of total North American GDP whereas agriculture and industry contribute around 1.4% and 22%, respectively. The largest manufacturing industries in North America by revenue include petroleum, steel, automobiles, aerospace, telecommunications, chemicals and electronics. Agricultural output has grown at 1.2% between 2003 and 2013 with majority of the growth coming from increase in productivity (measured by cereal yields) through development of new technology.

Global Financial Crisis sends the economy into recession

After peaking at 3% in 2005, U.S. GDP growth gradually slowed to 1.8% in 2007. Following the global financial crisis of 2008, real growth turned negative for the next 2 years. The U.S. economy has recovered gradually since the last quarter of 2012. Consumption, the main growth engine has benefitted from steady job creation and income growth, lower oil prices and improved consumer confidence. The U.S. is enjoying a boom in domestic energy production, as a result of developments in shale gas production.

North America: GDP Growth



(Source: World Bank database)

Gradual economic revival seen post global slowdown

Asset purchases by the U.S. Federal Reserve ended in October 2014, and policy interest rates are widely expected to start inching up from near zero level in the near future. Low energy prices, low inflation and reduced fiscal drag are expected to support economic growth in the US. IMF forecasts U.S. GDP to grow 2.5% in 2015.

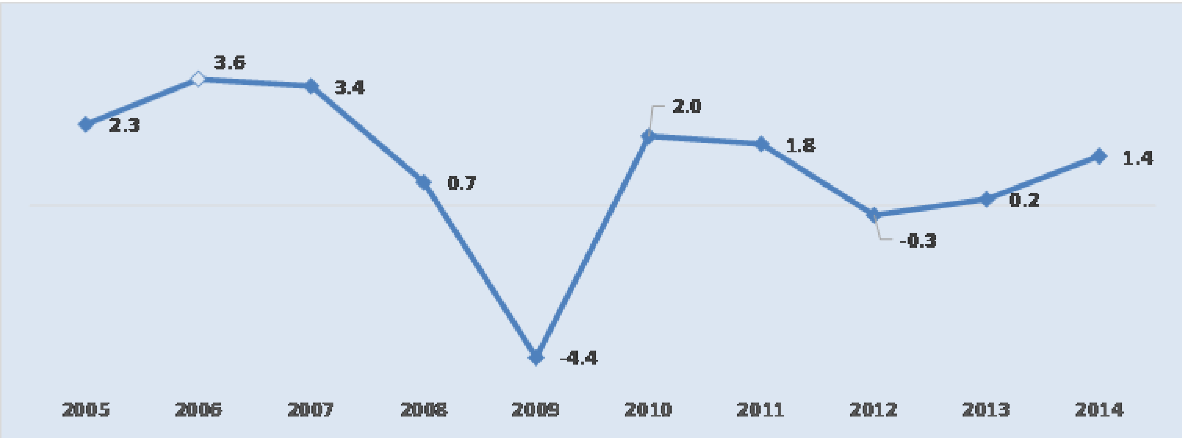
Canada's growth of 2% and 2.5% in 2013 and 2014, respectively, has been healthy alongside stronger recovery in the United States and exchange rate depreciation. These developments have led to a welcome pick-up in exports but are yet to translate into strong investment and hiring. IMF forecasts economy to grow at 1.5% in 2015 aided by a strengthening U.S. economy. There are downside risks as an unusually large fall in oil prices could further weaken investment in energy sector and lower employment growth.

After being hit by credit crunch of 2008, in the last two years Mexico has grown at healthy pace (1.4% and 2.1% in 2013 and 2014, respectively) by employing prudent macroeconomic policies with an ambitious set of reforms aimed at boosting growth prospects and fiscal flexibility. However, domestic demand is still lagging with private consumption dragged by low consumer confidence and limited wage growth. The GDP growth of Mexico is expected to accelerate to 2.4% in 2015 as per IMF.

Europe

The EU, comprising 28 member states, had a GDP of US$18.4 trillion in 2014. Germany, United Kingdom, France, Italy and Spain are the five biggest nations in the EU accounting for about 73% of total output from the group. Services are the largest contributor to the economy. It accounted for around 73 % of total GDP in 2013 whereas industry and agriculture contribute around 25% and 1.5%, respectively.

EU: GDP Growth



(Source: Eurostat, CRISIL Research)

The European debt crisis erupted in the wake of the great recession around late 2009, and was characterised by high government structural deficits and accelerating debt levels of several Eurozone member states (Greece, Portugal, Ireland and Spain). Meanwhile, increased bailouts of the IMF and European Central Bank, led by Germany, alleviated the situation in debt-stricken nations of Central and East Europe.

By the second half of 2013, the Eurozone as a whole had become more stable, however problems in Greece and slow recovery in Italy and France continued in keeping growth in the Euro area to a minimum. Germany continues to lead Europe in stability and growth, while both the UK and Ireland are seeing strong growth of 3-4%. The EU's average annual growth rate has been 0.95% over the past 5 years, with a few nations in the region reeling under recessionary conditions.

Since March 2015, The European Central Bank has resorted to quantitative easing i.e. creating money to buy financial assets. The fall in energy prices caused by the collapse in oil prices is aiding economic recovery.

Looking ahead, the prospects for the Eurozone economy are expected to be mixed. The slowdown in China is expected to hold Germany back since its exports of investment goods and luxury cars to the country will be hit. On the other hand, the decision to rescue Greece in its third bail-out in five years removes uncertainty about a possible disruptive exit from the monetary union, at least for the time being.

According to IMF, growth is expected to gradually start increasing with 2015 growth forecasted to be about 1.5% in 2015 up from 0.8% in 2014.

Automobile (CV, Tractor) Production

Domestic Market- India

Commercial Vehicle

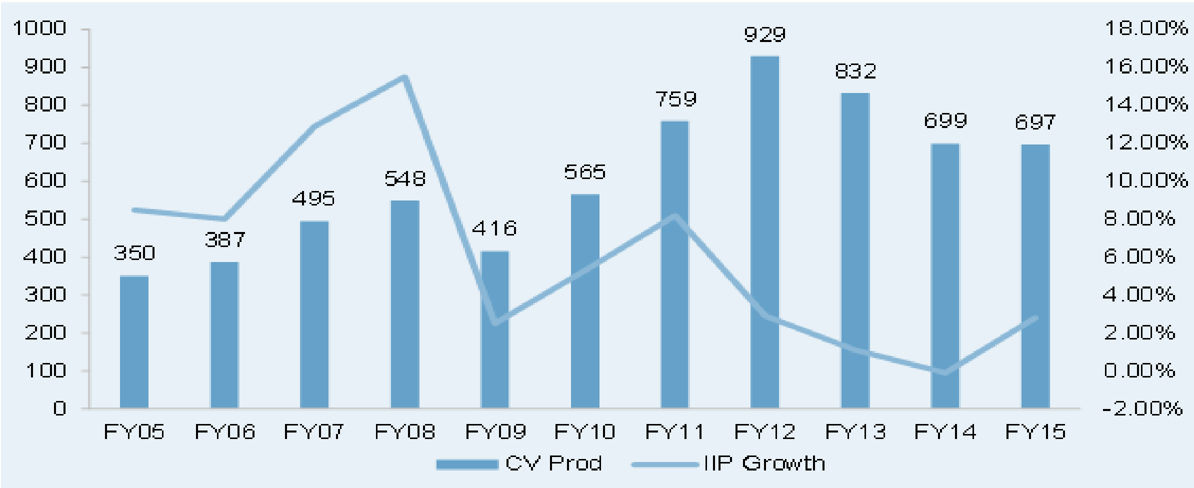
A Commercial Vehicle ("**CV**") is used for transporting goods or passengers. In India, 85-88% of vehicles produced are used to transport goods. Further, most vehicles produced in India are sold in the domestic market, while only around 11% are exported. The major export markets are South Asian Countries, Middle East, South East Asia and Africa.

Commercial Vehicles can be classified into three categories; Small Commercial Vehicles ("**SCV**"), Light and Medium Duty Trucks ("**LMDT**") and Heavy Duty Trucks ("**HDT**") based on the vehicle load capacity.

Production review

From Fiscal 2005 to Fiscal 2012, CV sales saw steady growth across all vehicle segments except for Fiscal 2009 when it got impacted due the global financial crisis. Post Fiscal 2012, CV sales declined due to slowdown in Indian economy.

CV Production growth ('000 volume terms)



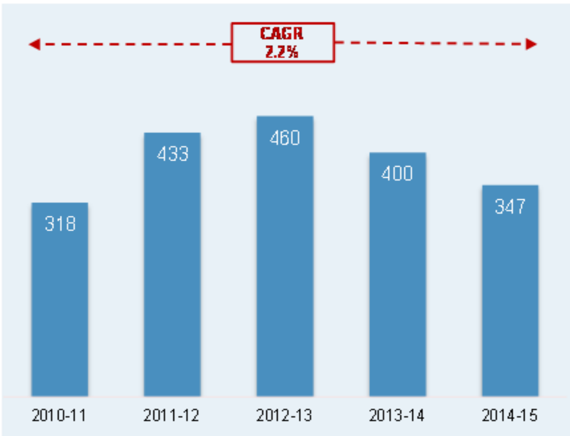
(Source: CRISIL Research)

SCV (<3.5 tonne)

Small Commercial Vehicles ("**SCVs**") have gross vehicle weight ("**GVW**") of less than 3.5 tonnes. SCVs are used for last mile transportation for redistribution of consumer products for shorter distances. From Fiscal 2011 to Fiscal 2013, sales grew steadily due to easy finance availability. However, as the economy started slowing down and NPAs grew, financiers selectively financed vehicles, which led to a decline in SCV sales. Compared to other CV segments, SCV has shown positive CAGR in the last five years.

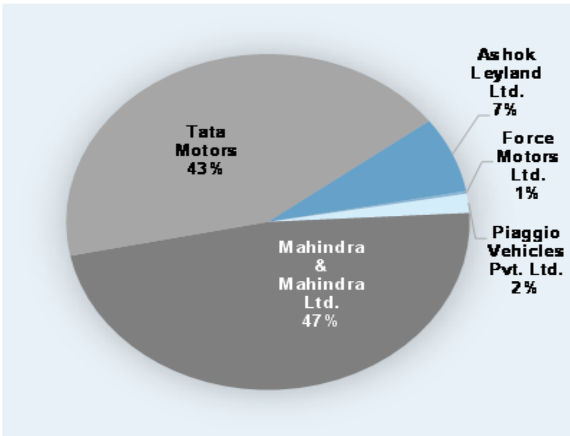
The segment is fairly consolidated where Tata Motors and Mahindra & Mahindra are the two biggest players, holding together more than 80% of market share.

SCV production trend (in '000 units)



(Source: SIAM, CRISIL Research)

Production pie OEM wise Fiscal 2015



(Source: SIAM, CRISIL Research)

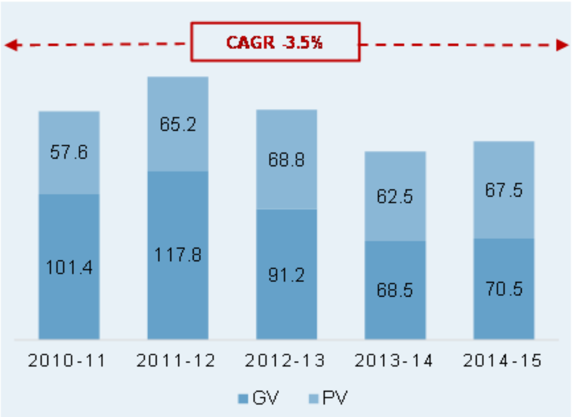
LMDT (>3.5 tonne and <12 tonne)

LMDTs are used essentially to transport goods from secondary warehouses to local distributors. The sale of LMDT is highly dependent on industrial production and consumption demand in the economy.

Apart from goods vehicles, buses contribute significantly at 45-50%. The key end-use segments are school buses, executive travel and state transport undertakings for intra city travel.

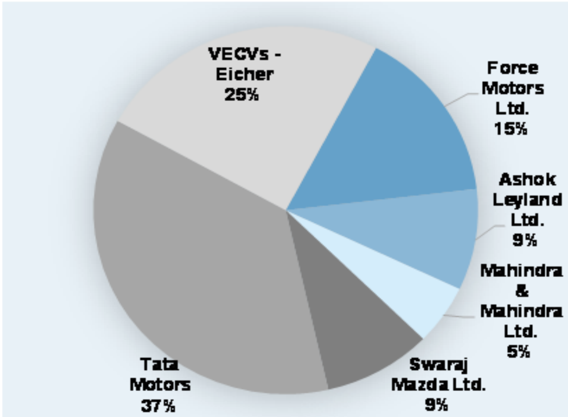
In the LMDT segment, Tata Motors has the highest market share followed by VECV-Eicher. Over the years, Ashok Leyland has increased its share after the success of its eComet model.

LMDT production trend (in '000 units)



(Source: CRISIL Research)

Production pie OEM wise 2014-15



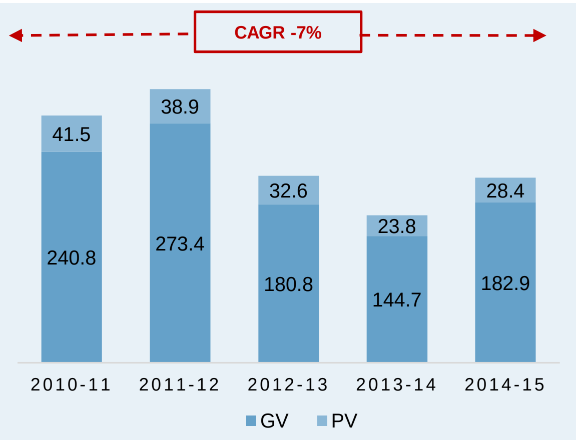
(Source: CRISIL Research)

HDT (>12 tonne)

HDTs are used for primary transportation of industrial and agricultural goods (plant to hub or hub to hub). HDT sales can be correlated to industrial GDP growth or IIP as these are indicative of available freight and the growth of freight traffic. This segment also includes multi-axle vehicles ("**MAVs**"), trucks with more than two axles. Some of the MAVs, used in construction and mining activities (tippers), contain tandem drive axles.

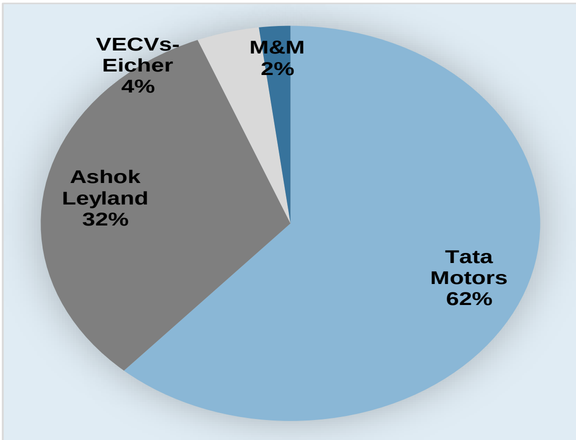
Buses contribute 12-15% in this segment. Growth is primarily dependent on the increase in inter-city travel.

HDT production trend (in '000 units)



(Source: SIAM, CRISIL Research)

Production pie OEM wise 2014-15

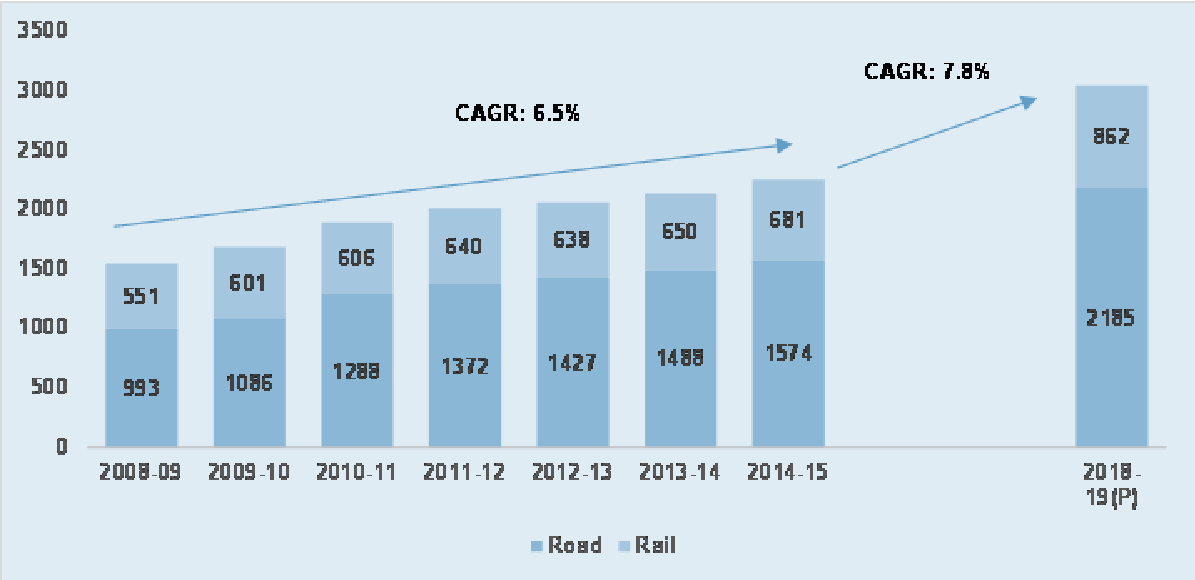


(Source: SIAM, CRISIL Research)

Key drivers for commercial vehicles

Improved Industrial activity: Faster implementation of infrastructure projects will support CV growth. Key freight generating industries are expected to see improved demand. Freight traffic is generally measured in terms of billion ton kilometres ("**BTKM**") which is a product of metric tons and kilometres. Overall freight demand has been growing at 6.5% CAGR between Fiscal 2009 and Fiscal 2015. However, non-bulk traffic, which is mostly transported by road, is expected to grow by 7-9 per cent CAGR during Fiscal 2015 to Fiscal 2019 following expected improvement in consumption demand, especially consumer durables, pharmaceuticals and automobiles. Share of road traffic is expected to continue to lead because of capacity constraints faced by railways.

BTKM growth with segmentation of Road and Rail



(Source: CRISIL Research)

Higher agricultural output: An increase in agricultural output will translate into an increased demand for commercial vehicles for the transportation of agricultural commodities.

*Private final consumption expenditure ("**PFCE**")*: PFCE is used to assess consumption demand which mainly influences LMDT and SCV sales. Such vehicles are primarily used for last mile transportation and redistribution of commodities. Growth in consumption and organised retail are the major drivers of SCVs for transportation. Improvement in the economic growth combined with declining inflation will have a favourable impact on consumer expenditure as disposable incomes start increasing. Going forward, PFCE growth is expected to improve which is indicated by consumer sentiments.

*Uptick in Export Import ("**EXIM**") traffic*: EXIM traffic is expected to pick-up over the next five years which is expected to provide a boost to demand for tractor trailer as containers are majorly transported by tractor trailers.

Road construction and mining segment growth to drive tipper demand: Strong pick-up in road construction and mining activity, post the coal block allocation and revocation of iron-ore mining ban, is expected to drive tipper demand over next five years.

End-user sector growth rate for tippers

Sector	Proportion of tipper population deployed	Sectoral growth (2014-15 to 2019-20P)
Roads, Real estate	40-45%	15-17%
Irrigation and Urban infrastructure	20-25%	7-9%
Industrial projects (Including rail, port, Airports)	10-15%	5-7%
Mining (Coal - 75-80%, Iron Ore - 20-25%)	20-25%	8-10%
Overall		**10-12%**

(Source: CRISIL Research)

Replacement demand: Most Large Fleet Operators ("**LFO**") operate on long distance routes and tend to replace their trucks after 5 years on average, which is the key demand driver for new truck sales. During the past two years, transporters have been delaying replacement due to weak freight demand and low resale values in the secondary market. Transporters have begun replacing their trucks gradually as their income prospects started improving with revival in industrial growth in the past few quarters.

Stricter ban on overloading: A ban on overloading will increase the requirement of trucks for transportation. The government is beginning to enforce bans on overloading more strictly over the past few quarters in Haryana, Delhi, North-West region, Tamil Nadu and some other states.

CV financing: Most commercial vehicles are purchased on finance and a decline in finance availability will impact CV sales. Interest rates and loan to value ratios ("**LTV**") have a significant effect on CV sales. As the policy rates have been declining, many financiers have reduced interest rates for their strategic customers. As NPA levels in CV financing have stabilised, finance availability is expected to improve providing boost to CV sales.

Commercial vehicle outlook

Over the next five years, commercial vehicle sales are expected to grow due to improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the railways. Implementation of GST in the coming years will further expedite the evolution of the hub-and-spoke model for transportation in the country, where small CVs are used for last mile or spoke distribution, and HCVs for hub-to-hub transportation. This is expected to boost CV growth in the coming years.

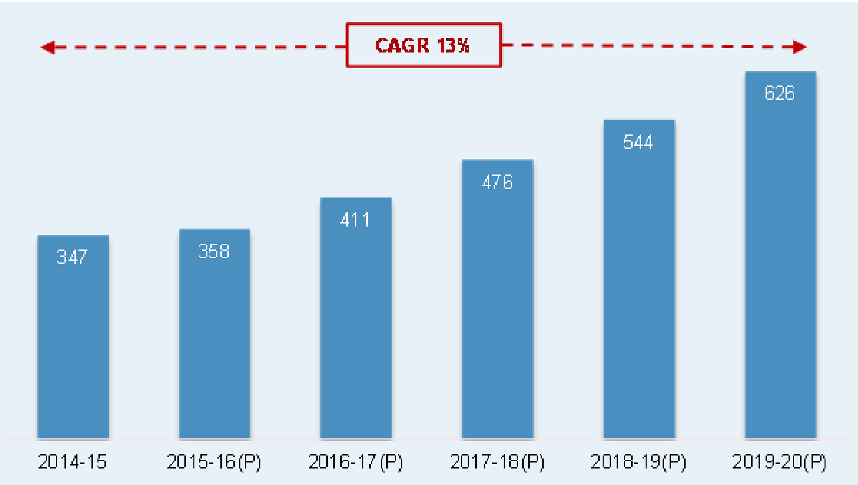
SCVs to drive CV sales over long term, sales of pick-ups to outpace that of sub-one-tonne vehicles

SCV demand is expected to increase by 13% CAGR during Fiscal 2015 to Fiscal 2020 supported by the following reasons:

Consumption expenditure: Improvement in consumption expenditure, proliferation of hub and spoke model, some replacement of large three-wheelers and easing of NPA level of financiers.

Demand for small pick-ups: Small pick-ups (around 1.25 tonnes), launched over the past 3-4 years, combine the features of both mini trucks and large pick-ups. These have the ability to provide last mile support like mini trucks due to their compact size and are also capable of plying inter-city routes like large pick-ups due to higher power compared to mini trucks. Further, they also provide superior cost economics compared to mini trucks.

SCV Production Outlook (in '000 units)



(Source: CRISIL Research)

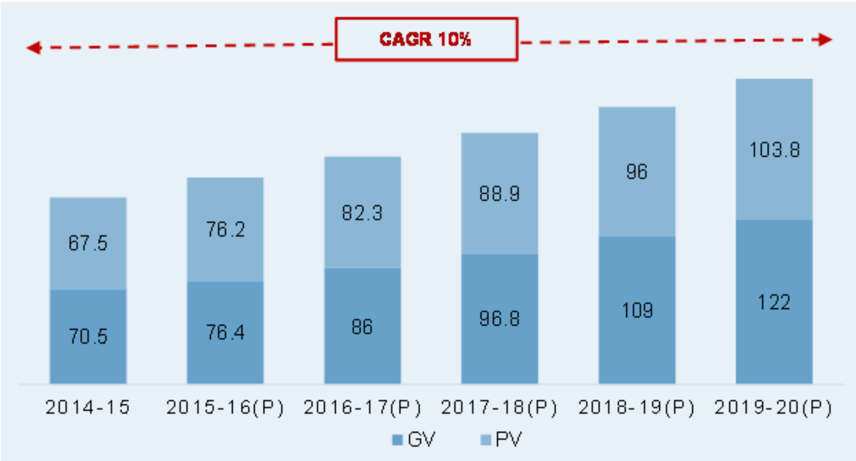
LMDT demand to get a boost from GST implementation

LMDT demand is expected to increase by 10% CAGR from Fiscal 2015 to Fiscal 2020 supported by the following reasons:

GST implementation: Post GST implementation (expected in 2016-17), the realignment in distribution networks and supply chain is expected to take at least 2-3 years, which will see increased demand for LMDTs for the secondary leg of transportation. Firms would also eliminate several state warehouses and consolidate them into larger regional warehouses, which would increase the average load size from manufacturing plants to larger regional warehouses. Thus, there would be greater scope to use higher tonnage vehicles.

Improvement in LCV-MHCV ratio: Despite improving penetration, India's LCV-MHCV sales ratio still lags behind China. Currently, the LCV-to-MHCV population ratio in India is estimated at 1.1 times, which is much lower than that of China's 1.8 times. It is estimated to breach 1.5 times by Fiscal 2020 as capacities increase, road network improves and the urban population increases.

LMDT production outlook (in '000 units)



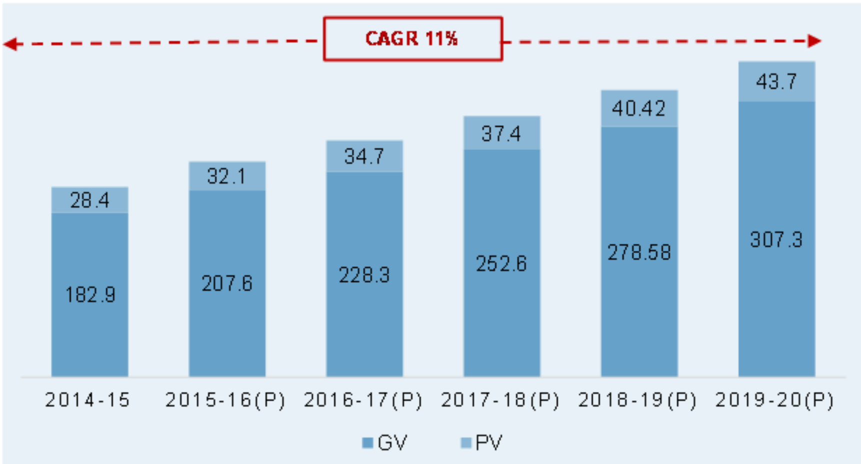
(Source: CRISIL Research)

HDT demand to get a boost as macroeconomic scenario improves

Improvement in industrial activity: Between Fiscal 2015 and Fiscal 2020, MHCV sales are expected to register 10-12% CAGR due to expected improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the Railways.

Tonnage shift: Within tippers, demand is shifting towards 25-tonne and 31-tonne models. In the trailers segment, the 49-tonne trailer, introduced a few years ago, is finding increased demand from heavy industrial cargo such as cement and steel.

HDT production outlook (in '000 units)



(Source: CRISIL Research)

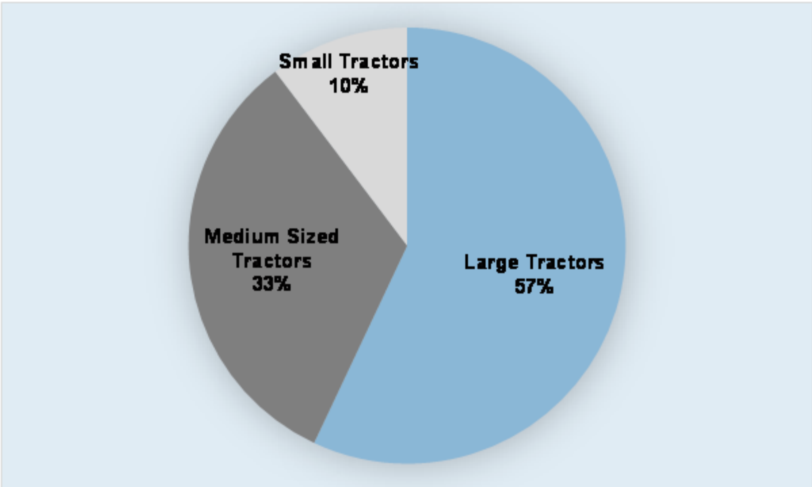
Tractor

The tractor is a multi-utility vehicle, used to pull a variety of farm implements for ploughing, planting, cultivating, fertilising and harvesting crops. While a majority of tractors find usage on farms, they are also used at construction sites and at airports to transport material and goods.

In India, Tractors are classified into three categories based on their engine power:

- Small tractors (<30 HP)
- Medium-sized tractors (30-40 HP)
- Large tractors (> 40 HP)

Tractor Segment mix 2014-15

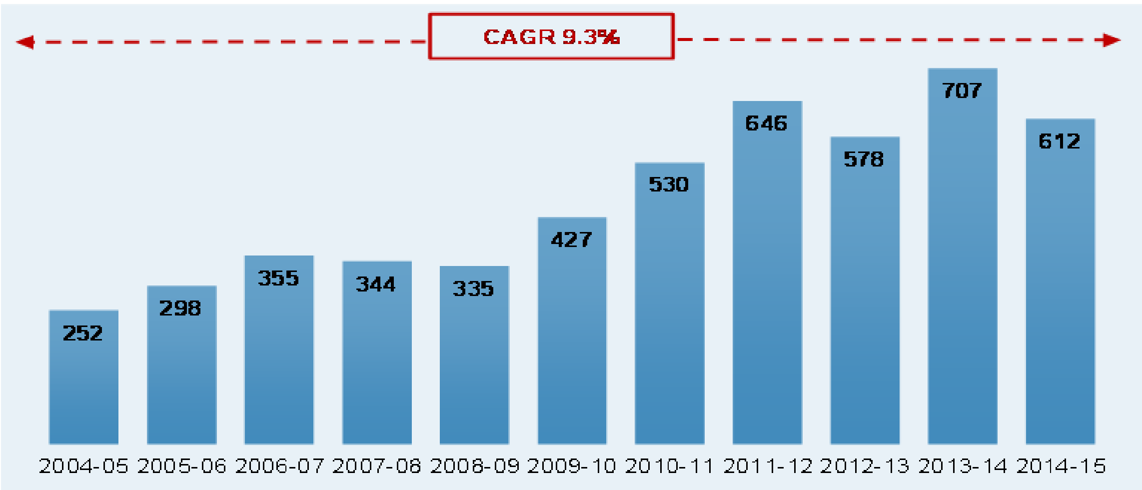


(Source: CRISIL Research)

Production review

From Fiscal 2010, tractor sales saw strong growth mainly due to easy availability of finance and increase in minimum support prices, barring Fiscal 2013 when poor monsoon in most parts of the country impacted agricultural income. In Fiscal 2014, tractor sales rose strongly by 17.9% year-on-year with healthy demand across regions. Conducive southwest monsoon, strong growth in kharif output, healthy rabi sowing and sustained increase in MSPs resulted in robust tractor sales growth. In Fiscal 2015, tractor sales were again impacted due to deficient rainfall.

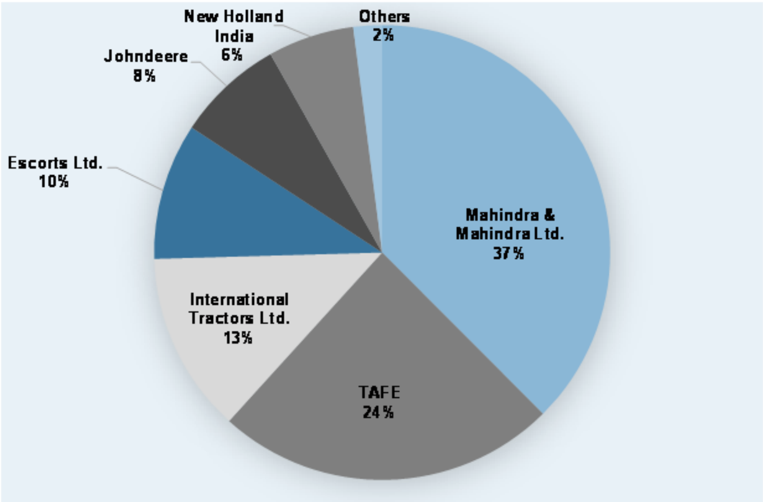
Year-wise tractor production (in '000 units)



(Source: CRISIL Research)

Mahindra & Mahindra has the highest market share in the tractor segment followed by TAFE. These two players have more than 60% market share. Other prominent players in the field are Escorts Limited, John Deere, International Tractors Limited and New Holland (India) Private Limited.

Production pie OEM wise 2014-15



(Source: CRISIL Research)

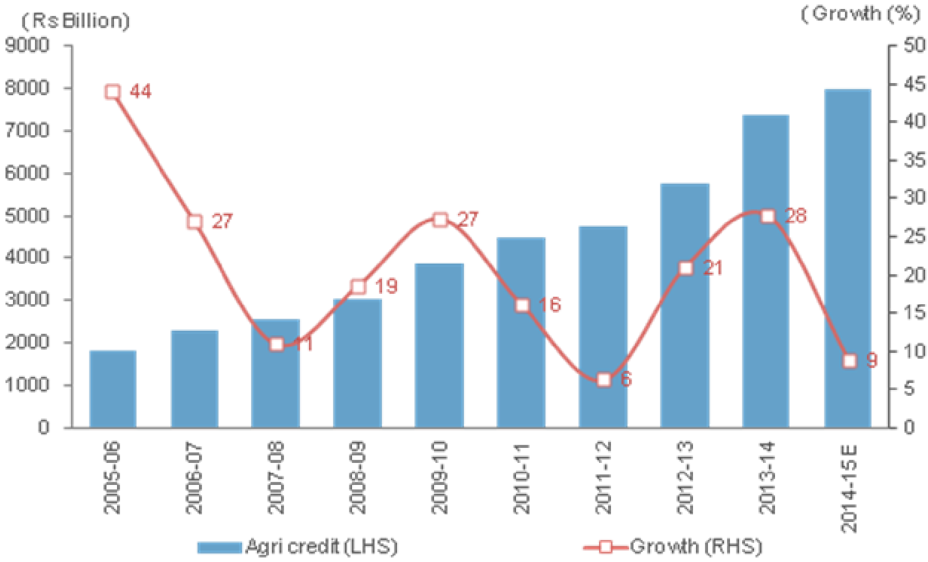
Tractor key drivers

Irrigation intensity and monsoons: A farmer will prefer to invest in costlier assets such as tractors when he is assured of receiving essentials for farming, such as water supply or good monsoon. Irrigation intensity is expected to improve further over the medium term with investments worth ₹ 5,043 billion (at current prices) having been proposed for the Twelfth Plan period towards it, thus supporting tractor sales.

Landholding pattern: The average landholding size has been declining due to socio-economic factors such as the breakup of joint families and division of ancestral land. With the division of larger landholdings into smaller ones, the number of tractors required is expected to rise. However, the purchase of a tractor would become uneconomical for small farmers due to a reduction in farm size (as a result of the sub-division of already small landholdings). However, with the proportion of landholdings below 2 hectares being very high, consolidation of landholdings is expected to drive demand in the long run.

Availability of credit: In India, around 75% of tractors purchased are on credit and hence its availability becomes a key demand driver for the industry. Therefore, any major changes in financing norms directly impact the demand for tractors. Agricultural credit usage in farm mechanisation has been growing steadily over the years, thus enhancing the farmers' ability to buy tractors.

Trend in agri-credit growth



(Source: CRISIL Research)

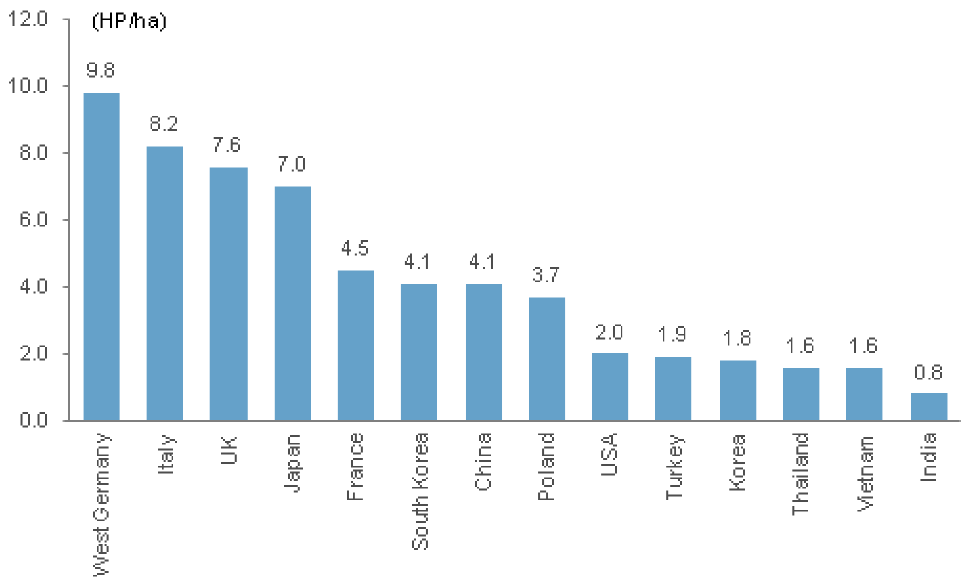
Minimum support prices of food grains: Procurement prices of food grains are fixed by the government, which affect market prices, as they are used as a base for calculating the same. Change in procurement prices directly affects the farmer's income as it impacts his loan repayment capability. The government has consistently raised the MSPs of major crops such as wheat, rice, sugar cane and cotton, starting from 2006-07. This has reduced volatility in farm incomes, notwithstanding some fluctuations in agricultural production arising from variation in rainfall.

Crop mix: Medium and large tractors are preferred for the cultivation of cash crops such as sugarcane and cotton, since the agricultural activity required for cultivating these is high and the timeliness of operations is significant. Extensive cultivation of cash crops has yielded higher incomes for farmers and boosted tractor demand. Similarly, in the case of intensive farming and multiple cropping, land bed preparation, harvesting and transportation need to be done quickly. Hence, high-power tractors are preferred.

Cross-country comparison indicates healthy demand potential

The current penetration of tractors is estimated to be just over 1 HP per hectare. Tractors are fast replacing bullock carts and labour as it is more cost-effective to rent a tractor or own a low HP tractor. Moreover, tractors earn rental income and enable the farmer to increase cropping intensity. In developed countries, the penetration of tractors is estimated to be in the range of 3 - 4 HP per hectare, which enables much superior crop yields relative to India. Hence, the opportunity in this space is substantial given the relatively low mechanisation levels in India.

Farm power through tractorisation in India has a long way to go to reach levels in developed economies



(Source: CRISIL Research)

Tractor outlook

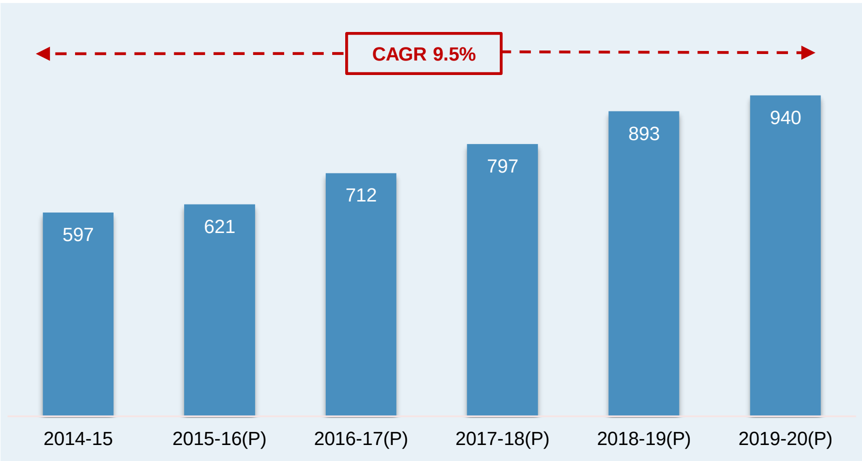
Domestic demand to grow at a healthy pace till Fiscal 2020

Tractor demand is expected to increase by 9-10% CAGR from Fiscal 2015 to Fiscal 2020 against an estimated 16% CAGR seen from Fiscal 2009 to Fiscal 2014 supported by the following reasons:

- Increase in farm profitability due to:
  - a) healthy growth in MSP, albeit at lower pace than in the period between Fiscal 2008 and Fiscal 2013 when MSPs were growing at double digit rates; and
  - b) growth in crop yields, due to increase in irrigation intensity leading to increase in crop output.
- Migration of labour to urban areas and rural entrepreneurship lead to farm labour shortage.

- Increased focus of the government on agriculture through agricultural credit.
- Increase in rural development.
- Increased availability of finance by:
  - a) non-mortgage schemes with private financiers as against mortgage of land earlier;
  - b) expansion of private financiers (seen in the East); and
  - c) finance for used tractors leading to shortening of replacement cycles (seen in the North).

Tractor production outlook (in'000 units)



(Source: CRISIL Research)

Major Global Markets

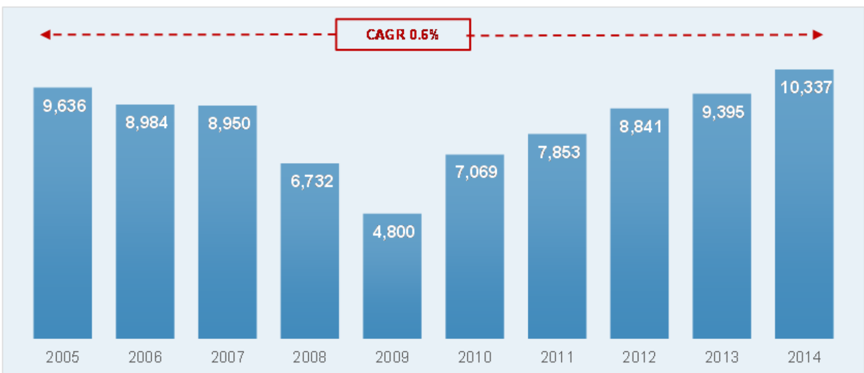
North America

Commercial Vehicle

Production Review

Due the global financial crisis North American CV production had almost halved in CY 2009 from CY 2005 levels. Since CY 2010, the North American commercial vehicle market has improved steadily as the economy revived, supported by income growth and healthy job creation. In CY 2014, North America accounted for 46% of all commercial vehicle production worldwide. Around 95% of commercial vehicles produced in North America are LCVs.

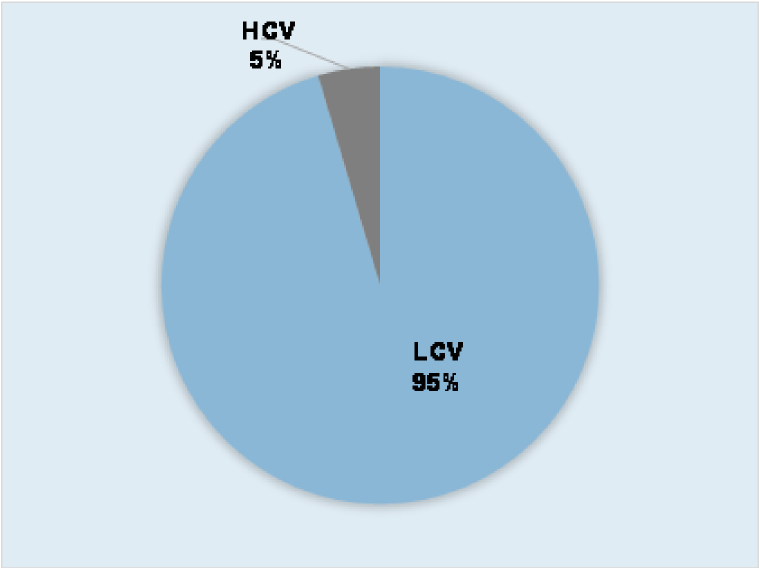
CV production Trend in North America (in'000 units)



Note: CV Production includes pick ups, SUVs which is reported under Light Trucks in North America

(Source: OICA, CRISIL Research)

Commercial Vehicle Segment mix in North America 2014



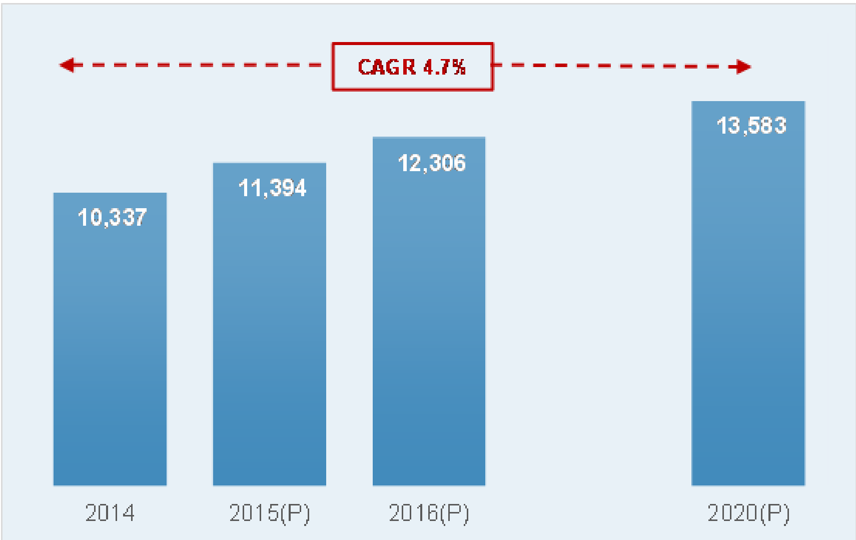
(Source: OICA, CRISIL Research)

Production Outlook

As the overall macro-economic situation in the U.S. improves, the demand for commercial vehicles will increase in North America. Apart from that, demand for technologically superior vehicles will increase due to tightening emission controls around the world. Many western OEMs are trying to manufacture vehicles with cutting edge technology while keeping the cost low. These OEMs are adding compressed natural gas and liquefied natural gas engines to their vehicle lineups. This new segment of vehicle will create additional demand.

North American market has still not reached pre-2008 global crisis volumes. With strong economic growth in recent years, near term CV production is expected to grow at a strong pace of around 10%. Going forward, as the effect of low base wanes, CV production growth is expected to slow down after 2-3 years. Overall, commercial vehicle production in North America is expected to post 4-5% CAGR between CY 2015 and CY 2020.

CV Production Outlook in North America (in '000 units)



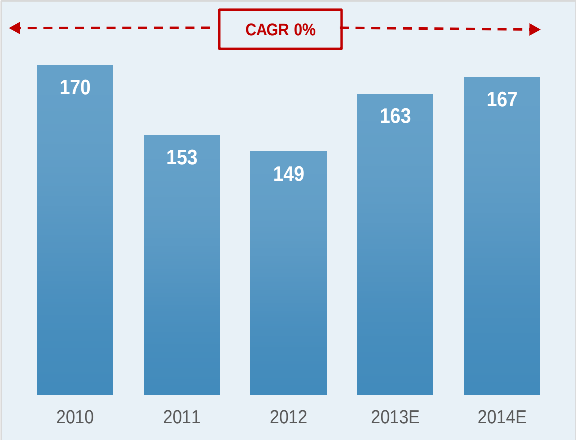
(Source: CRISIL Research)

Tractor

North America is one of the largest agricultural equipment markets in value terms. It is generally considered to be a mature market. Agricultural equipment demand over the past decade has been fairly robust due to high crop prices, which has translated into strong farmer receipts. These high crop prices are the result of government policies and growing demand in emerging markets.

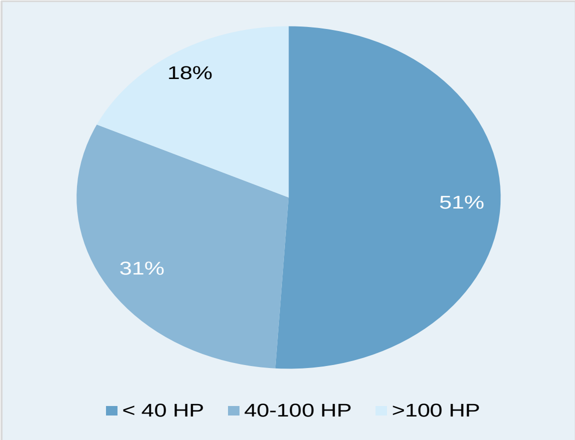
In North America, tractors are a mix of higher and lower HP categories mainly dominated by 2-wheel drive tractors. In CY 2014, half of the tractors sold were below 40 HP, with tractors above 100 HP contributing 18% of the sales.

Tractor Production (in '000 units)



(Source: Industry Reports, CRISIL Research)
Note: 2013, 2014 estimation based on sales number adjusted for imports and exports

Market Segment by HP Category 2014



(Source: Industry Reports, CRISIL Research)

Production Outlook

North American tractor market will be weak for a number of reasons.

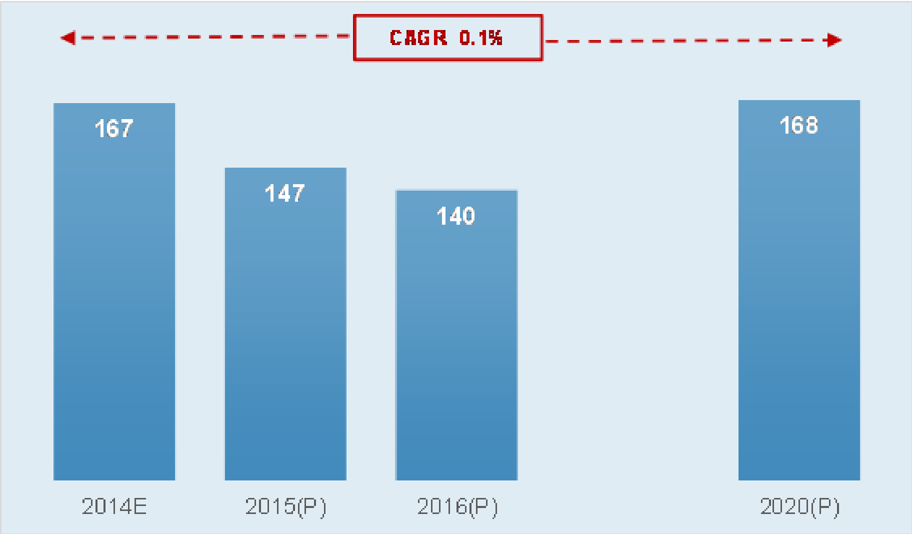
First, generally lower global grain prices are expected in the coming 18-24 months compared to previous years, as there will be healthy supply globally. This will lead to lower farm incomes, which will curb demand for new machinery.

Second, farmland values in the Midwest (the key grain growing states) are rising at their slowest pace since the global financial crisis, which is reducing farmers' collateral and therefore limiting farm borrowing capacity. Indeed, farmland values are close to declining.

Third, changes to the U.S. Farm Bill are expected to lead to reduced machinery sales growth as the bill replaces fixed subsidies with a more robust insurance scheme, with the ultimate aim of reducing government spending on the U.S. farm sector. This is expected to lead to reduced farm incomes and thus lower demand for big-ticket items such as tractors.

Tractor production in North America is expected to expand at around 2% between CY 2015 and CY 2020.

North America Tractor Production Outlook (in '000 units)



(Source: CRISIL Research)

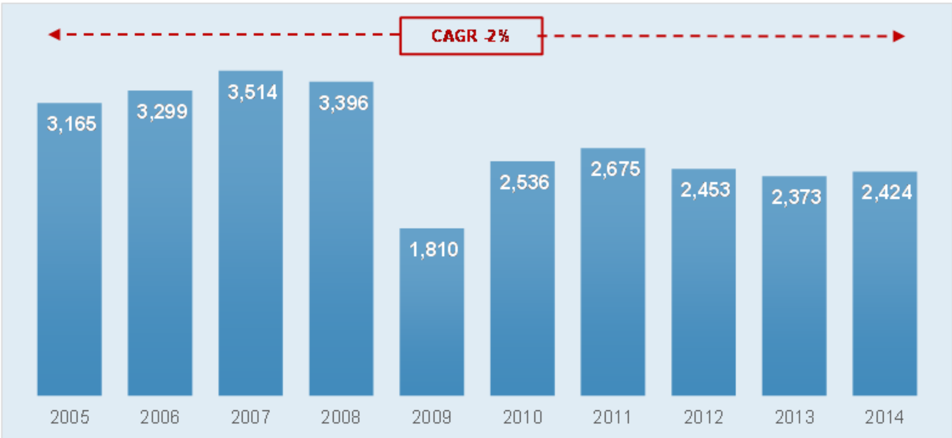
Europe

Commercial Vehicle

Production Review

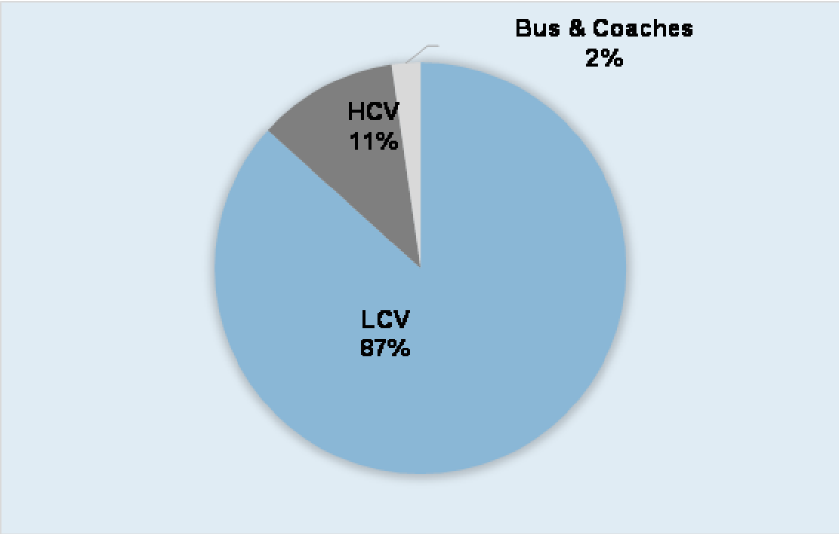
Due the global financial crisis, European CV production declined significantly in CY 2009 from CY 2007 peak levels. After slight recovery in CY 2010, the CV market has almost remained muted in the last five years as economic revival in the Eurozone has been slow. In CY 2005, Europe accounted for 15% of all commercial vehicle production worldwide. In CY 2014, the figure had fallen to 11%. Over the last decade, global CV production share of China has grown majorly at the expense of Europe.

CV production Trend in Europe (in '000 units)



(Source: OICA, CRISIL Research)

Commercial Vehicle Segment mix in Europe 2014



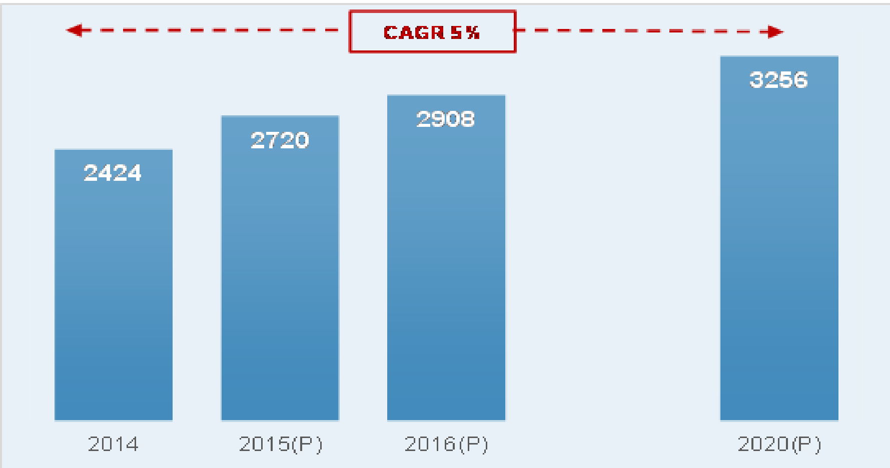
(Source: OICA, CRISIL Research)

Production Outlook

The outlook for economic growth in the EU has brightened. Recent indicators suggest that a cyclical upswing driven by private consumption is underway. Growth may still strengthen in the near term as the economy receives economic boost from tailwind factors such as low oil prices and QE from central bank.

Among major European Union countries; Spain, Germany, France, Italy, Poland are expected to do well in the near future. In the long term, Turkey, Russia and Eastern European countries will be dynamic although geo-political tensions may cast a pall. CV production in Europe is expected to post around 5% CAGR between CY 2015 and CY 2020.

CV Production Outlook in Europe (in '000 units)



(Source: CRISIL Research)

Tractor

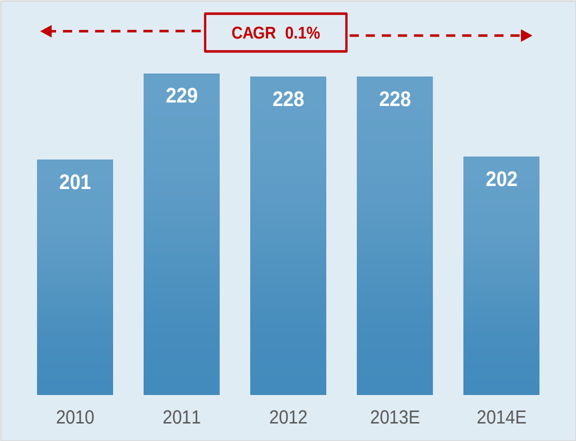
Production Review

Western Europe is a mature market that has, historically, been a relatively stable source of demand for agriculture equipment. The tractor market is skewed towards bigger machines and higher HP tractors. Due to farming technology deployed as well as legislation, <50 HP as well as 4-wheel drive tractors have limited importance in Europe.

Eastern European farms are relatively small and have lower adoption rate of advanced farming practices.

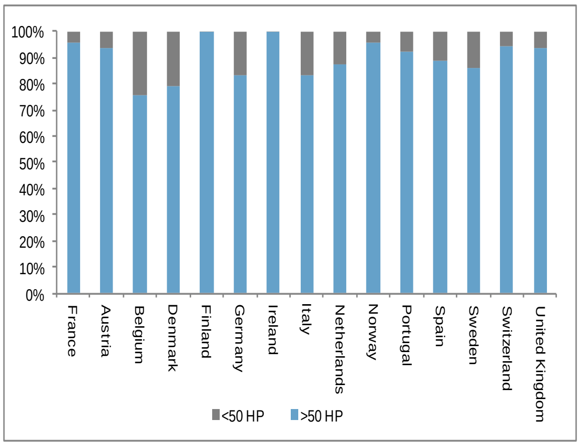
However, inclusion in the EU and access to government support is helping to close the gap. Further, reforms such as Common Agricultural Policy ("**CAP**") and the Renewable Energy Directive have the potential to alter the market. Any reforms that encourage farmers to seek additional operating efficiencies could result in additional farm consolidation and implementation of larger farm equipment in order to achieve scale advantages.

Tractor Production (in '000 units)



(Source: Industry Reports, CRISIL Research)

Market Segment by HP category 2014



(Source: Industry Reports, CRISIL Research)

Note: 2013, 2014 estimation based on sales number adjusted for imports and exports

Production Outlook

European tractor market will be weak for at least 2-3 years due to several reasons.

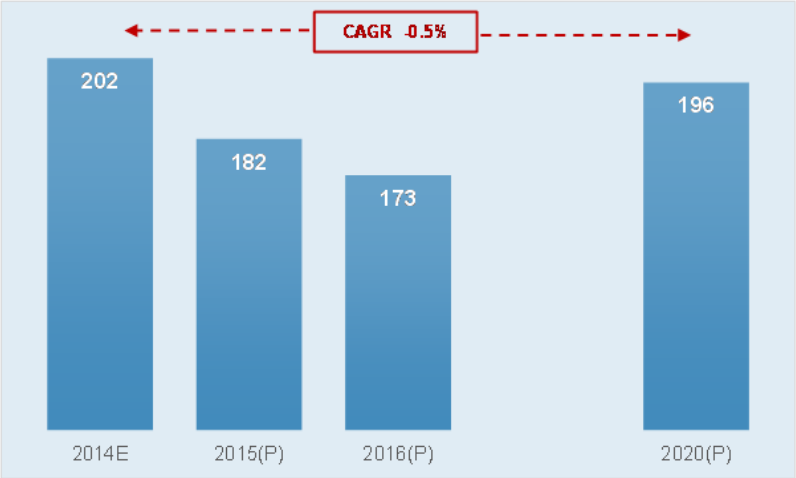
First, the current downward trend can partially be explained by and must be seen in the context of the recent boom in agricultural machinery sales between CY 2011 and CY 2013.

Second, lower commodity prices for cereals and milk and reduced farmers' income in Europe limit investment mood and purchasing power for new equipment.

Third, new rules for EU subsidy payments under the CAP introduced in 2013 will add further uncertainties.

Overall, tractor production in Europe is expected to remain flat between CY 2015 and CY 2020.

Europe Tractor Production Outlook (in '000 units)



(Source: CRISIL Research)

Auto Component

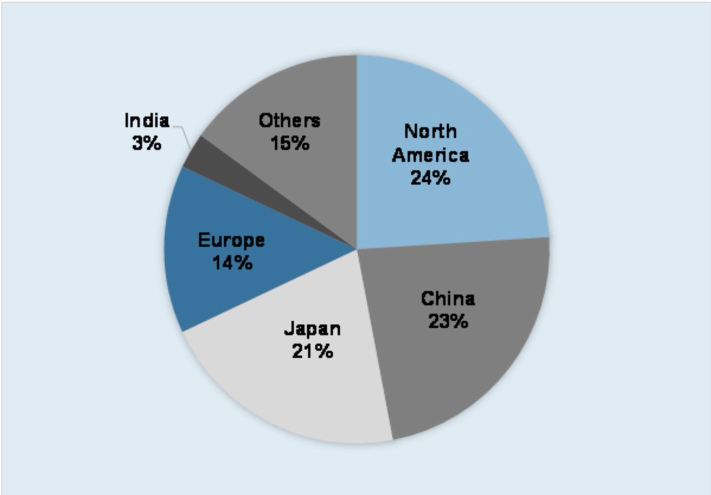
Auto Component Market

Global Auto component

The auto component industry accounts for 3.6% of total production of the global manufacturing industry. The industry is diverse, covering final consumer goods used to supply OEMs and the aftermarket.

In CY 2014, global auto parts production reached about US$1.4 trillion with Asia Pacific having the largest share with 55.5%, followed by North America (24%) and Europe (14%). The auto component production in North America is around US$335 billion in size whereas that in Europe is around US$193 billion. In both of these markets 70-75% of production is for OEMs.

Auto Components Production Share by Country 2014 (Total US$1.4 trillion)



(Source: CRISIL Research)

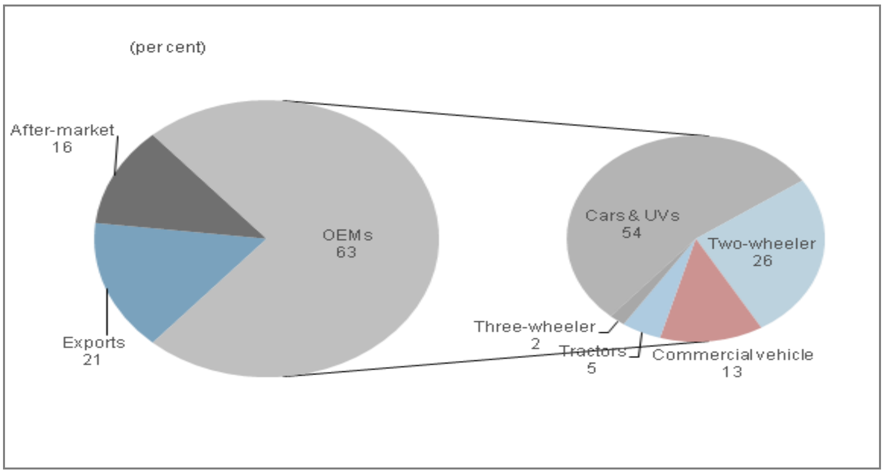
Global production is expected to increase at a CAGR of 6.5% between CY 2014 and CY 2020. Major growth would come from Emerging Market economies where production of auto components is going to increase. Further, with increased competition new opportunities will open up for export-oriented low-cost countries such as India, Mexico, China, Brazil and South Korea.

Indian Auto component

Industry overview

Auto components production is driven by consumption by different end-user segments: OEMs, exports and the replacement market. OEM demand can be further segregated based on the various vehicle segments. In Fiscal 2015, auto components' consumption in India accounted for ₹2572 billion, with OEMs accounted for nearly two-thirds of total auto component consumption. Among OEMs, cars and utility vehicle manufacturers remain the largest consumers.

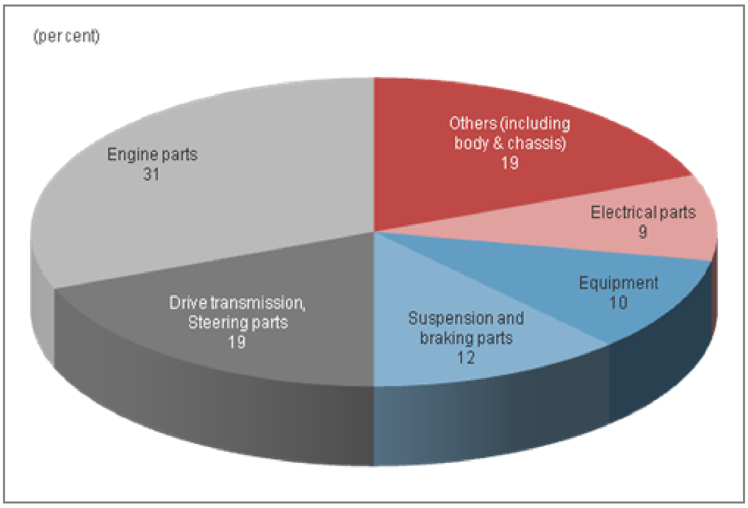
OEMs remain dominant consumers of auto components



(Source: ACMA, CRISIL Research)

Engine parts have the biggest share in auto components production followed by drive transmission, steering parts and body & chassis. Domestic consumption of rear axle shafts and spindle demand from commercial vehicles and tractors in India accounts for approximately 2% of drive transmission and steering parts. Further, rear axle shafts and spindles find usage in construction equipments and sports utility vehicles ("**SUVs**"). A significant proportion of these components are exported from India as well.

Segment-wise production break-up



Note: Drive Transmission includes rear axle shaft and spindle
(Source: ACMA, CRISIL Research)

Auto Component drivers

Revenue growth to be driven by higher OEM off-take

Auto component production in Fiscal 2016 will mainly be driven by higher off take from OEMs as demand across the automobile segments, particularly passenger vehicles and medium and heavy commercial vehicles ("**MHCVs**"), improves.

Auto component exports to grow with revival in economies of key markets, expansion into new geographies and support from rupee depreciation

Auto component exports are forecast to rise by a healthy 14-16% in Fiscal 2016 on expectations of steady growth in automobile sales in the EU and U.S. European sales are expected to rise as quantitative easing by the region's central bank spurs the economy, and thereby freight availability, in-turn reviving truck sales. Continuing benefits accrued from a weak rupee, increased focus on exports and geographical expansion by manufacturers are expected to support domestic auto component manufacturers.

Aftermarket growth to pick up gradually

A persistent rise in cheaper auto component imports, particularly from China, South Korea, Thailand and Taiwan, is expected to affect the pricing flexibility in the replacement segment and restricted growth of the domestic after-market. However, a sharp depreciation of the rupee has reduced the price disadvantage of cheap imports to some extent, which has led to a slight shift in favour of domestic auto component manufacturers and deceleration in auto component imports.

Size and growth in auto components industry

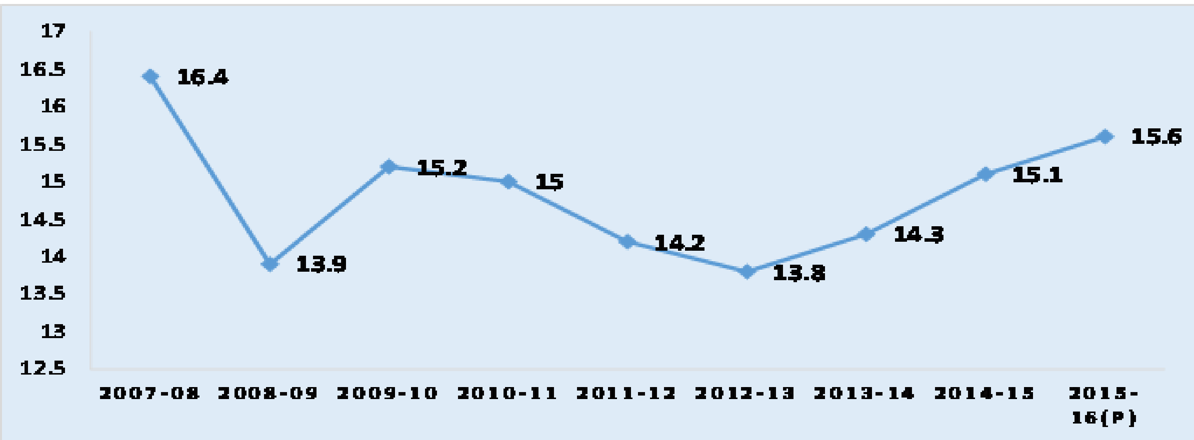
	2012-13			2013-14		2014-15 E		2015-16 P	
	Proportion of total	Size (Rs bn)	Growth	Size (Rs bn)	Growth	Size (Rs bn)	Growth	Size (Rs bn)	Growth
Domestic production									
- (A) OEM	68%	1,506	2%	1,440	-4%	1,541	6-8%	1,702	9-12%
- (B) Replacement	16%	357	7%	373	5%	403	7-9%	439	8-10%
- (C) Exports	16%	345	3%	400	16%	510	26-28%	587	14-16%
Domestic production (A+B+C)	**100%**	**2,208**	**3%**	**2,213**	**0%**	**2,454**	**9-12%**	**2,728**	**10-12%**
- (D) Imports		567	12%	582	3%	628	7-9%	685	8-10%
Domestic consumption (A+B+D)		**2,430**	**5%**	**2,395**	**-1%**	**2,572**	**6-9%**	**2,827**	**9-11%**

(Source: CRISIL Research)

EBITDA margins of large players to expand further in 2015-16

EBITDA margins of large auto component manufacturers are expected to improve by 40-70 basis points (bps) to 15.5-15.7% in Fiscal 2016. A rise in exports, utilisation rates, and a 10-12% fall in prices of raw materials such as pig iron, steel and plastics will also drive up margins. In Fiscal 2015 as well, the story was no different as the above factors, in addition to several cost-cutting initiatives (manpower reductions, shorter shifts etc.), boosted margins by approximately 76 bps.

Trend in profitability (percentage of sales)



Note: Information is aggregated for a set of 75 leading automotive component manufacturers, constituting close to 30% of the industry as of 2013-14.
(Source: CRISIL Research)

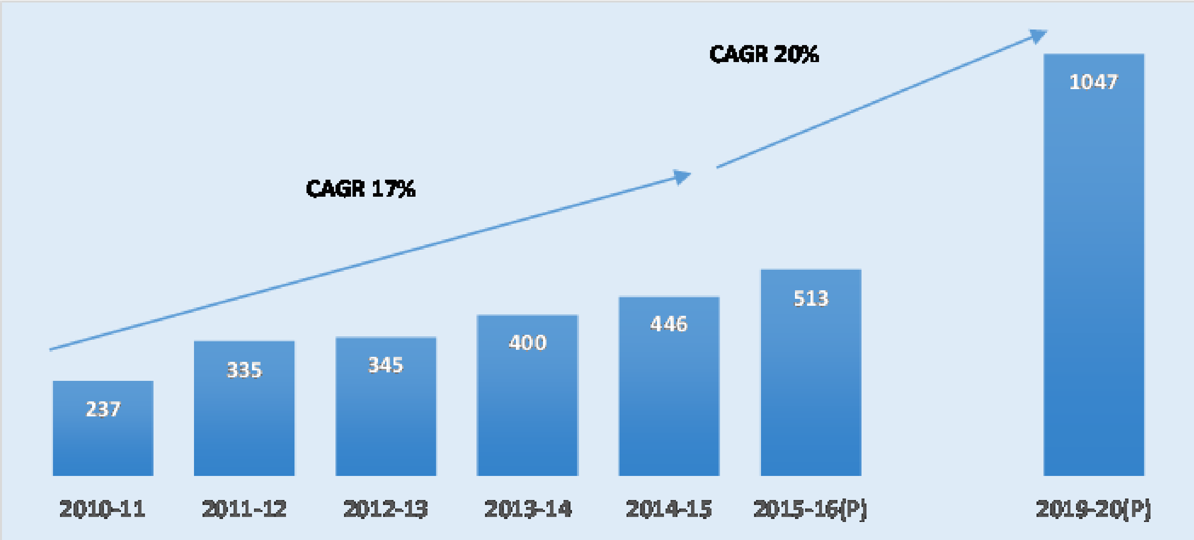
Export Market for Auto Component Industry

Recovery in export markets, sourcing from low cost countries to provide momentum for exports

Auto component exports are estimated to record a robust 17-20% CAGR between Fiscal 2015 and Fiscal 2020, aided by: (i) higher automobile production in key target markets; (ii) penetration potential of Indian players; and

(iii) a surge in component sourcing by global automakers from India.

Auto components exports (₹ billion)



(Source: CRISIL Research, ACMA)

Over the past decade, India has emerged as the auto component hub for automakers across the globe, given its relatively lower manufacturing cost. Superior product quality and a shift to high-tech products have helped Indian component makers compete better with other low-cost destinations and thus boost exports. In the auto component industry, cost optimization is the most critical factor. Low-cost countries focus on lowering manufacturing as well as supply chain costs while maintaining quality.

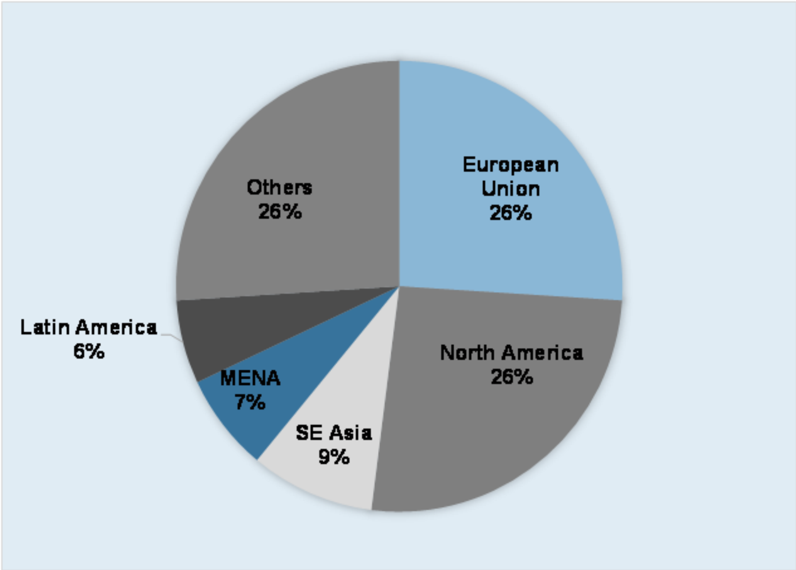
India's credibility has also driven global automakers to increasingly source components from here. A recovery in North America and Europe, two primary markets with over 50% share, has also driven Indian auto component exports. Further, India has become a global hub for manufacturing of compact cars launched by global players like Ford, Volkswagen, Renault and Nissan and export of related components. Even as the above trends are encouraging, India still constitutes only 1% of global auto component exports. This may change in the coming years as more global automakers set up shop in India and its automobile exports increase rapidly.

Focus of exports expands to emerging countries with faster growth

Indian auto component makers maximise realisations by exporting over 50% of their output to the NAFTA region and the EU. Shipments to these regions recorded a CAGR of 13% and 8%, respectively, between Fiscal 2007 and Fiscal 2014. Over the next couple of years, while exports to the NAFTA region are expected to continue growing strongly amid a recovery in automobile production there, shipments to the EU would remain stable.

Though the NAFTA region and EU continue to remain key markets, Indian exporters are gradually penetrating other geographies like Latin America and South-East Asia (see chart below). The emergence of South-East Asia is also underscored by India becoming an export hub for many global OEMs.

India: Auto component export destinations (2014)



(Source: CRISIL Research)

Rear Axle Shaft and Spindle

A rear axle shaft is a component of the rear axle housing on a rear-wheel drive vehicle. The rear axle shaft provides the power to the tires to drive the vehicle. The spindle is connected to rear axle housing and is stationary.

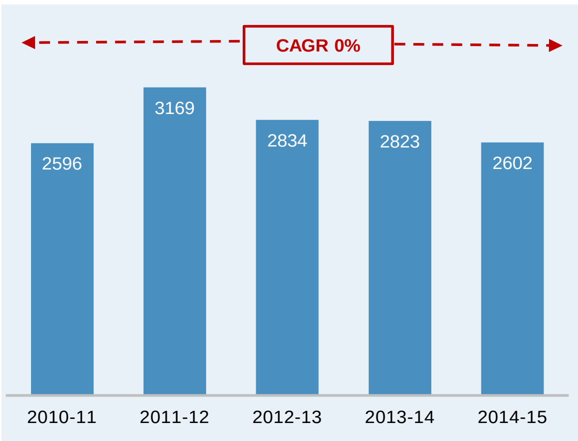
Volume of production of rear axle shaft and spindle is a factor of vehicle production. In any commercial vehicle, there are two rear axle shafts and spindles except in tandem drive vehicles, where requirement of rear axle shaft and spindles is more than two. In case of tractors, there are two rear axle shafts but no spindles in rear axles. Some rear axle shaft and spindles are also used in construction equipments and SUVs.
Note: Axle shaft and spindle used in vehicle segments other than tractors and commercial vehicles and replacement demand is not considered in market sizing shown.

Domestic Market- India

Review of Rear axle shaft and spindle

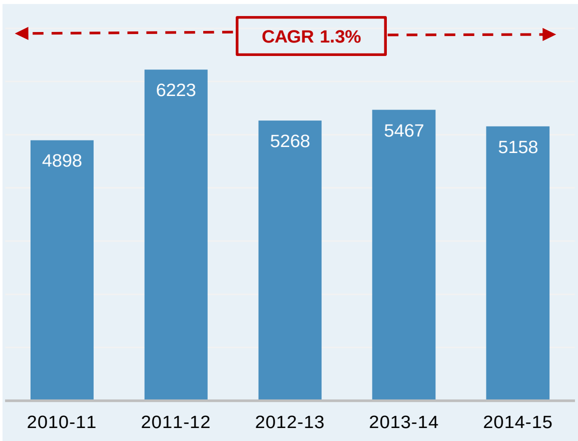
The current market size for rear drive axle shaft used in commercial vehicle and tractor produced in India is around ₹5.2 billion. In Fiscal 2012, the axle shaft market was at peak because of greater number of CV production and then onwards it declined due to weak economic activity.

Axle shaft volume(in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

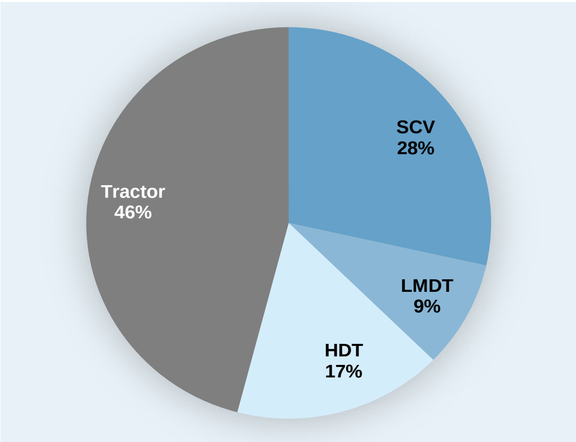
Axle shaft value (In ₹ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

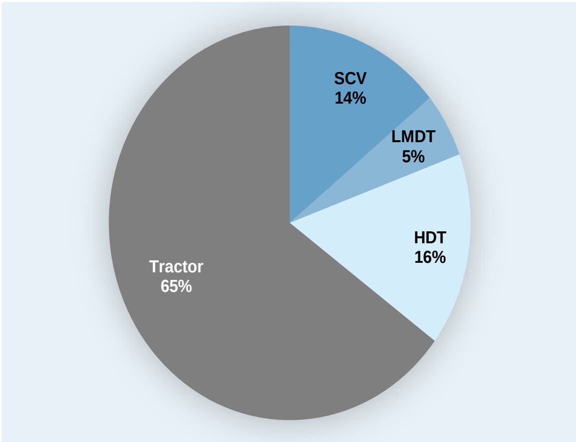
The tractor contributes the highest in terms of volume among the four segments. Further, average realisation of rear axle shaft of a tractor is higher than that of a CV. So, also in terms of value, the tractor segment contributes more than double.

Axle shaft volume mix Fiscal 2015 (Total 2.6 million units)



(Source: CRISIL Research)

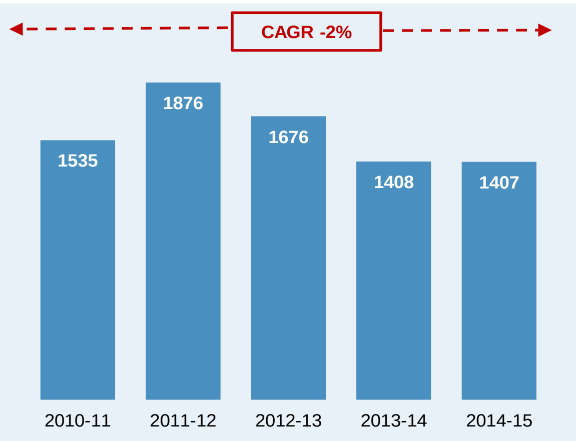
Axle shaft value mix Fiscal 2015 (Total ₹5,158 million)



(Source: CRISIL Research)

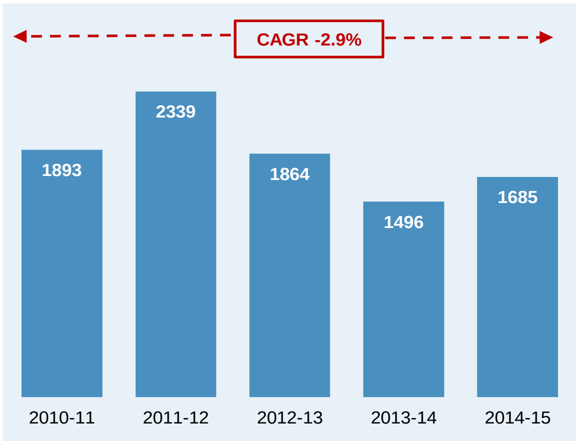
The current market size for spindles used in commercial vehicles produced in India is around ₹1.7 billion. In Fiscal 2012, the spindle market performed well because of higher CV production. In Fiscal 2014 and Fiscal 2015, the market was subdued because of low CV production contributed by tepid demand and higher financing cost.

Spindle volume(in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

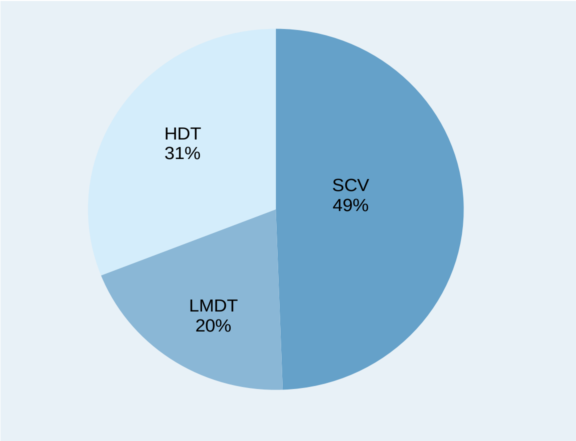
Spindle value (In ₹ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

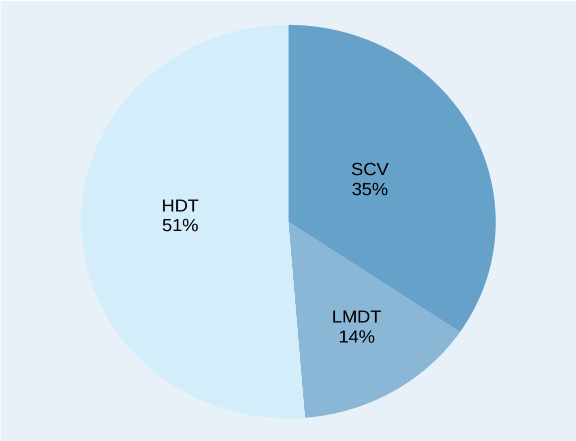
SCV contributes the highest volume in spindle market than any other commercial vehicle segment. But, in terms of value HDT segment contributes the highest as average realization is higher than that of any other segment.

Spindle volume mix Fiscal 2015 (1.4 million units)



(Source: CRISIL Research)

Spindle value mix Fiscal 2015 (Total ₹1,685 million)



(Source: CRISIL Research)

Competition Structure

The axle shaft and spindle manufacturing industry has moderate level of competition. The industry is characterised by 5-6 large manufacturers like GNA Axles Limited, Talbros Engineering Limited, Kross Manufacturers, Embross Autocomp Limited, SPM Autocomp Systems Private Limited and a few small players. Among these, GNA Axles Limited and Talbros Engineering Limited are the leading manufacturers.

The size and weight of an axle shaft could vary widely based on vehicle segments from a SCV to a tractor ranging from as small as 7-8 kg for a SCV to 28-30 kg for a tractor. Most of the manufactures have built up capacity and expertise accordingly and hence cater to different vehicle segment.

Rear axle shaft and spindle outlook

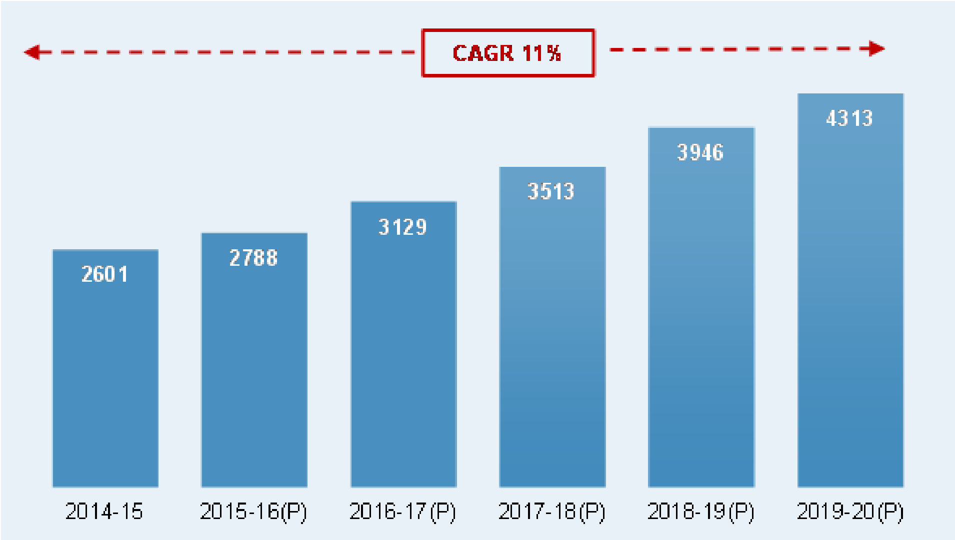
Rear axle shaft and spindle volume is estimated to grow at a CAGR of 11.0% and 11.5%, respectively between Fiscal 2015 and Fiscal 2020 based on:

- LCV demand is expected to increase by 11-14% CAGR during Fiscal 2015 to Fiscal 2020 on the back of improved PFCE, growing hub and spoke network, replacement of 3-wheelers and ease in CV financing.

- Between Fiscal 2015 to Fiscal 2020, MHCV sales are expected to grow by 10-12% CAGR due to the expected improvement in industrial activity, steady agricultural output and strong focus on infrastructure project execution along with continued capacity constraints in the Railways.

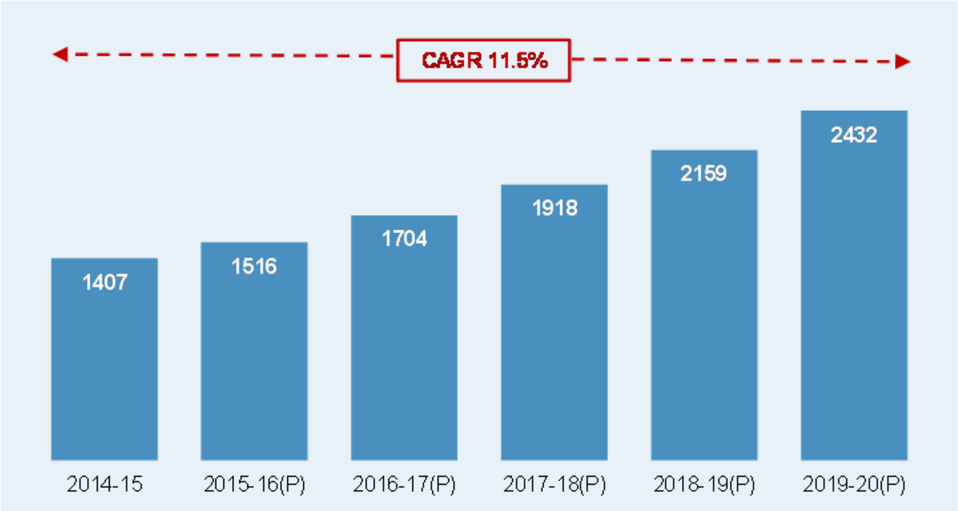
- Over the long term, tractor sales are expected to grow by 8-10% CAGR, with falling replacement cycles, stable farm incomes, and increased focus of the government on agricultural and rural development.

Axle shaft volume outlook (in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle volume outlook (in '000 units)



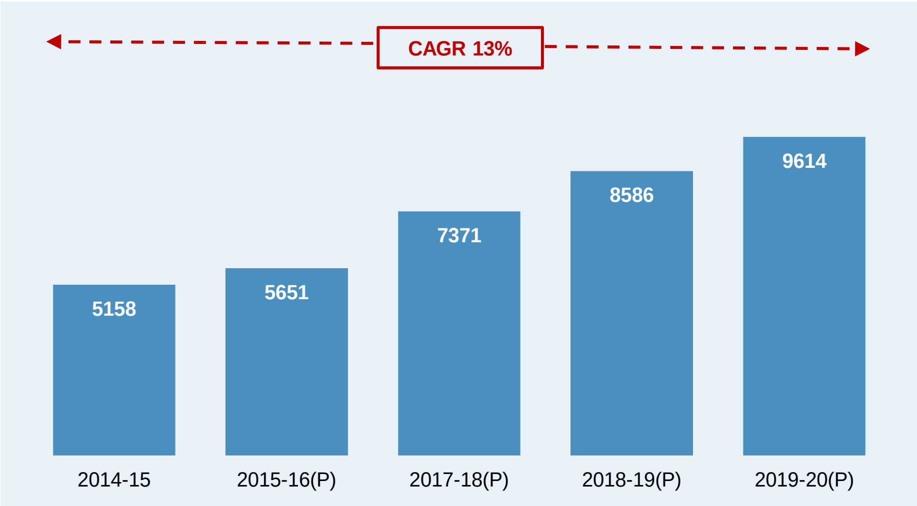
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

- Raw material price is expected to remain flat due to weak global demand of steel. However, manpower and other overhead costs are expected to exert pressure on the price. Average realisation per rear axle shaft and spindle is expected to increase by 2-4% CAGR over the next five years.

- Based on that, rear axle shaft market size is expected to grow at 13% CAGR for the next five years. In Fiscal 2020, rear axle shaft market size for commercial vehicles and tractors produced in India is projected to be around ₹9,600 million.

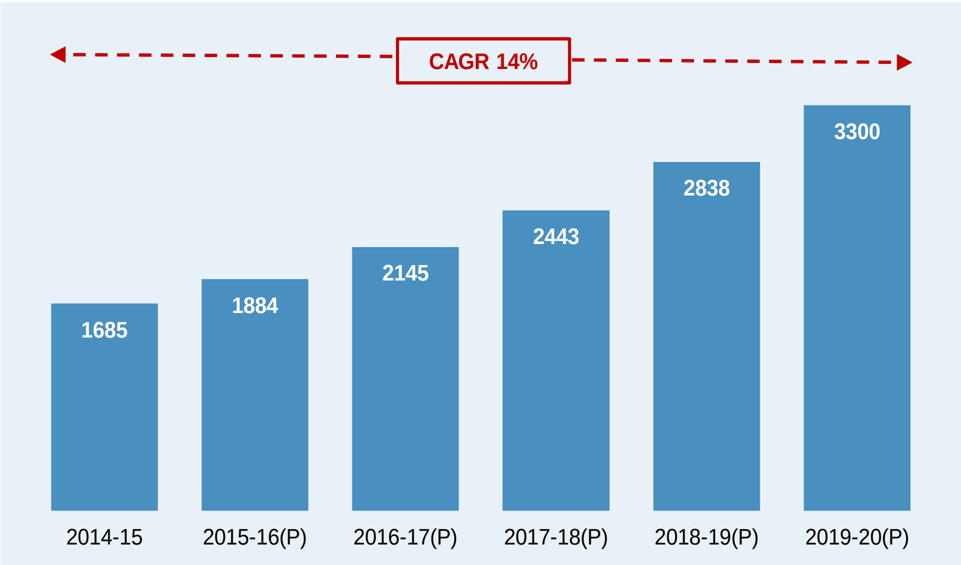
- Similarly, spindle market size is expected to grow at 14% CAGR over the next five years based on projections of volume and average price realisation. In Fiscal 2020, rear spindle market size for commercial vehicles and tractors produced in India is projected to be around ₹3,300 million.

Axle shaft value outlook (in ₹ Million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle value outlook (in ₹ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

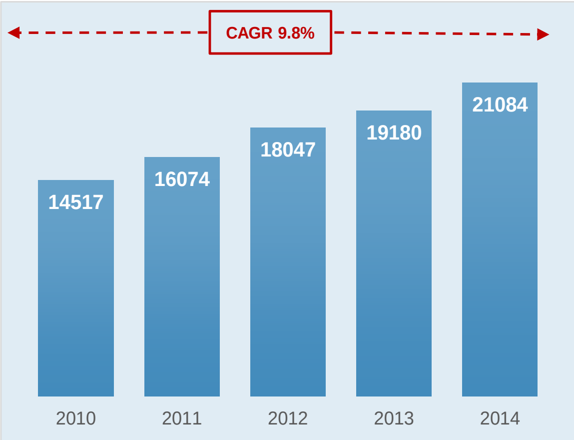
Other Major Global Markets

North America

Review of rear axle shaft and spindle

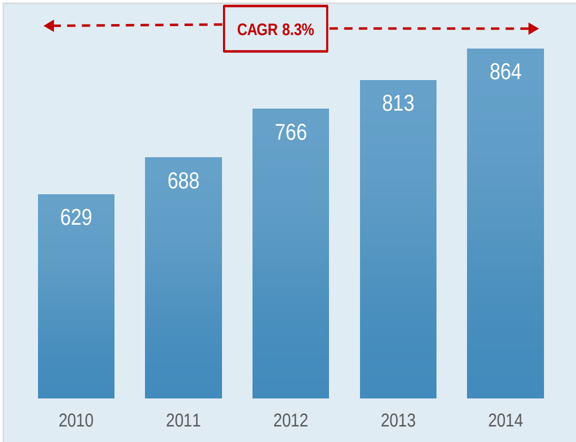
The current market size for rear axle shafts used in commercial vehicles and tractors produced in North America is around US$ 864 million. Between CY 2010 and CY 2014, axle shaft production steadily increased, primarily due to firm recovery in commercial vehicle and tractor production in the region after the global financial crisis. During this period, axle shaft volume increased at a CAGR of 9.8% while value increased at a CAGR of 8.3% due to decline in steel prices.

Axle shaft volume (in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

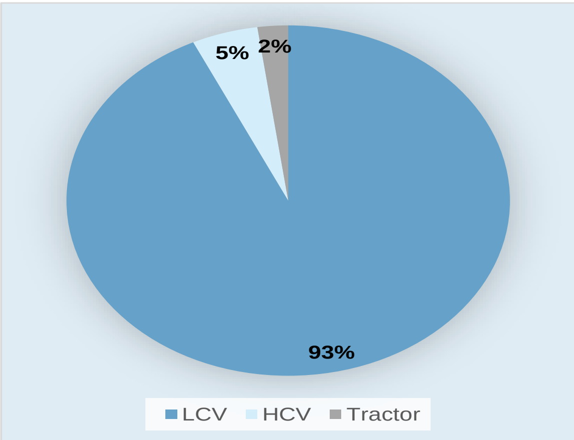
Axle shaft value (in US$ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

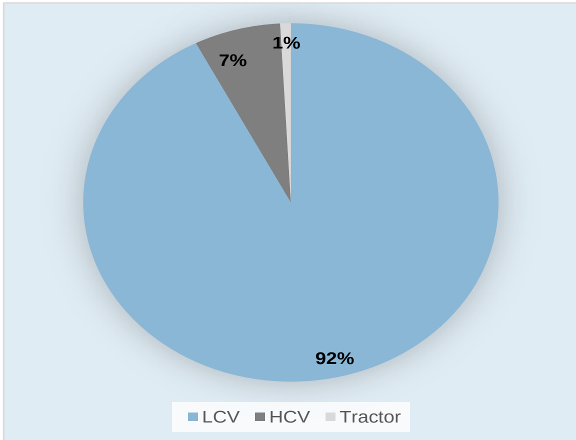
In terms of both volume and value, the contribution of LCVs is the highest amongst all segments, though average realisation of a rear axle shaft in HCVs is the highest among other vehicle segments.

Axle shaft volume mix CY 2014 (21 million units)



(Source: CRISIL Research)

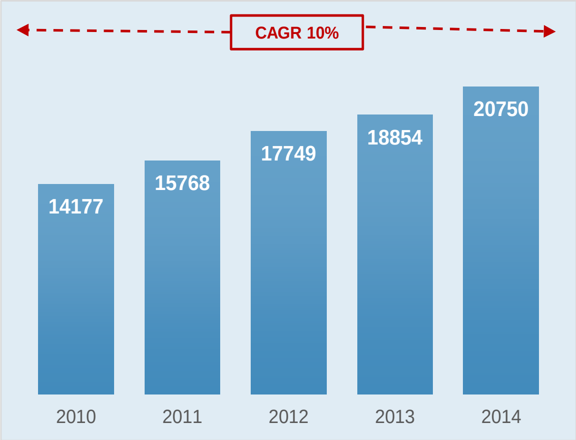
Axle shaft value mix CY 2014 (US$ 864 million)



(Source: CRISIL Research)

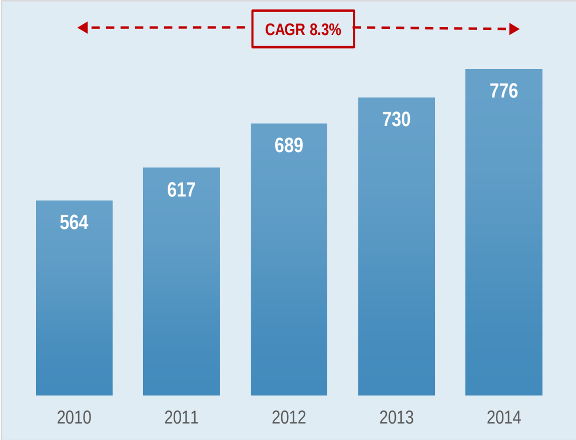
The current market size for spindles used in commercial vehicles produced in North America is around US$ 776 million. Between CY 2010 and CY 2014, spindle production increased steadily influenced by firm post-crisis recovery in commercial vehicle production in North America. During this period axle shaft volume increased at a CAGR of 10% while value increased at a CAGR of 8.3% due to decline in steel prices.

Spindle volume (In '000 units)



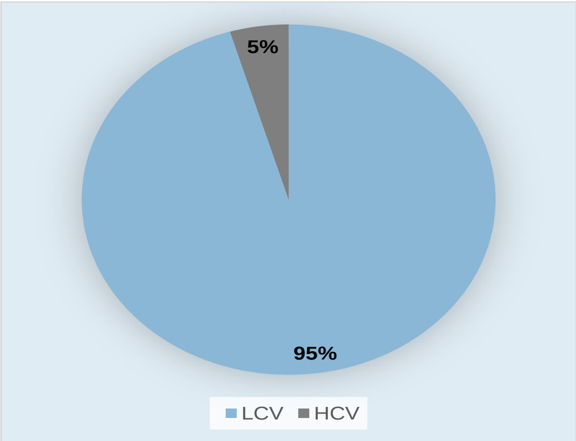
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle value (In US$ million)



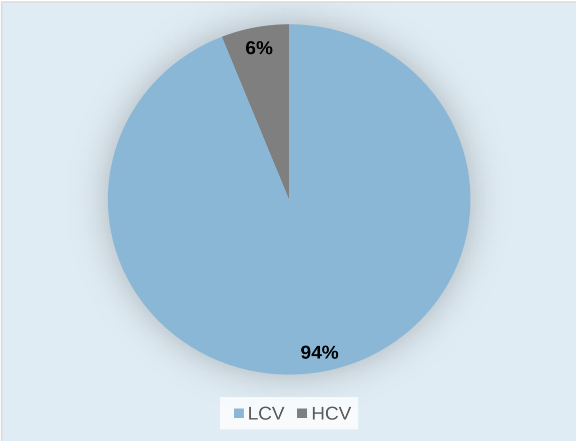
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle volume mix CY 2014 (20 million units)



(Source: CRISIL Research)

Spindle value mix CY 2014 (US$ 776 million)



(Source: CRISIL Research)

Rear axle shaft and spindle outlook

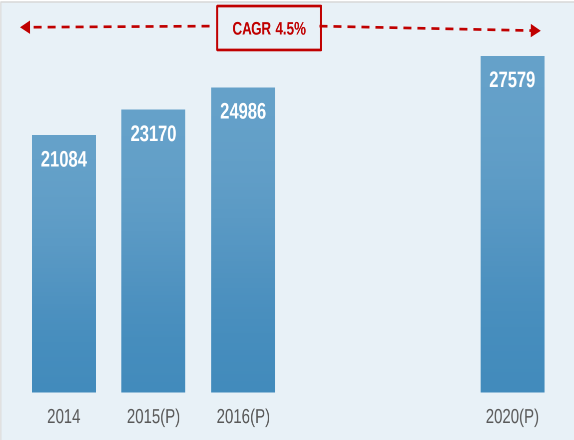
In North America, rear axle shaft and spindle volume are estimated to post a CAGR of 4.5% and 4.7%, respectively, between CY 2015 and CY 2020, based on:

- CV production is expected to increase by around 4-5% CAGR between CY 2015 and CY 2020 on the back of demand for technologically superior vehicles in the face of tightening emission control. As the macro-economic situation in North America improves, the region will show more demand.

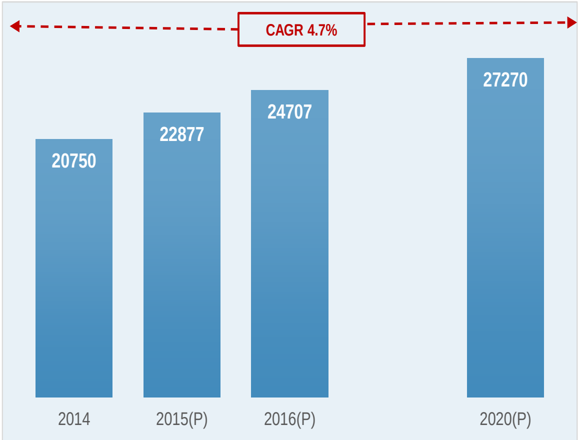
- Tractor production is expected to remain muted during the next five years because of low farm income due to subdued global grain prices, slow growth of farmland values and abolition of fixed subsidies as per new U.S. Farm Bill.

Axle Shaft volume(in '000 units)

Spindle Volume (in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

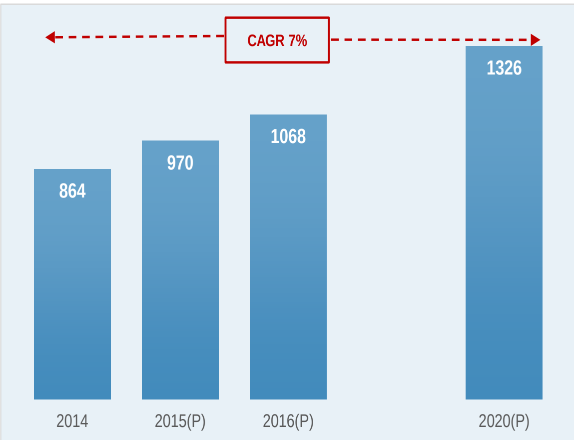


Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

- Raw material price is expected to remain flat due to weak global demand of steel. However, manpower and other overhead costs are expected to exert pressure on the price. Average realisation per rear axle shaft and spindle is expected to increase by 2-4% CAGR over the next five years.

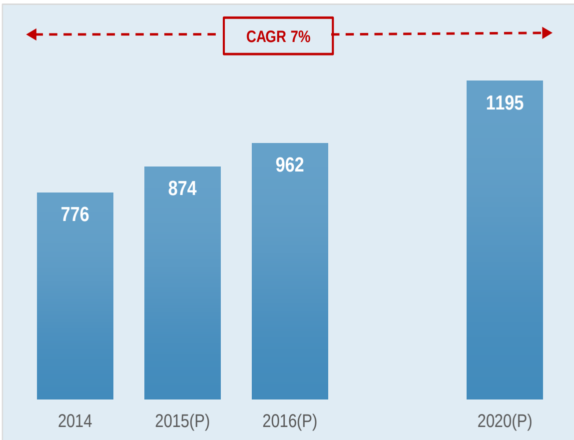
Based on that, rear axle shaft and spindle market size is expected to grow at 7-8% CAGR for the next five years. In CY 2020, rear axle shaft and spindle market size for commercial vehicles and tractors produced in North America is projected to be around US$ 1326 million and US$ 1195 million, respectively.

Axle Shaft Value (In US$ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle value (In US$ million)



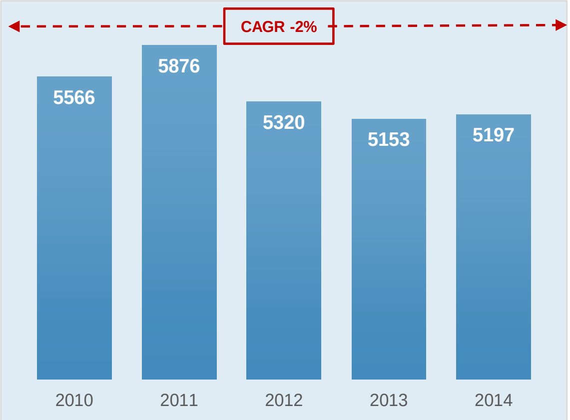
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Europe

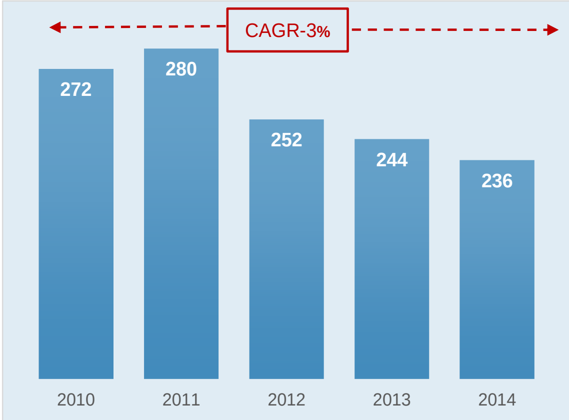
Review of Rear axle shaft and spindle: The current market size for rear drive axle shaft used in commercial vehicles and tractors produced in Europe is around US$ 239 million. Between CY 2010 and CY 2014, axle shaft market did not grow due to a steep slump in the production of HCV, despite recovery in LCV and tractor segments. In CY 2014, axle shaft production level was still a quarter below the pre-crisis peak of 2007. Axle shaft volume declined at a CAGR of 2% between CY 2010 and CY 2014 while low steel prices led to decline in value terms at a CAGR of 3% during the same period.

Axle shaft volume (in '000 units)

Axle shaft value (in US$ million)



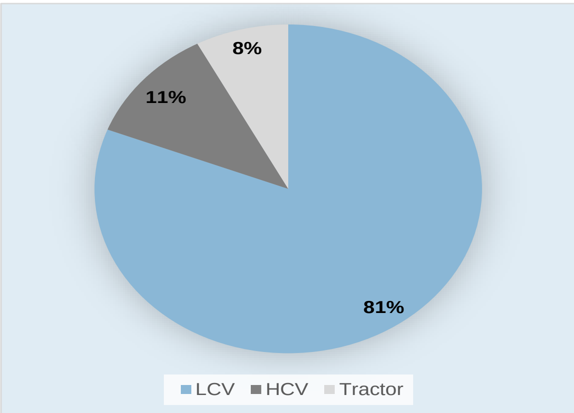
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

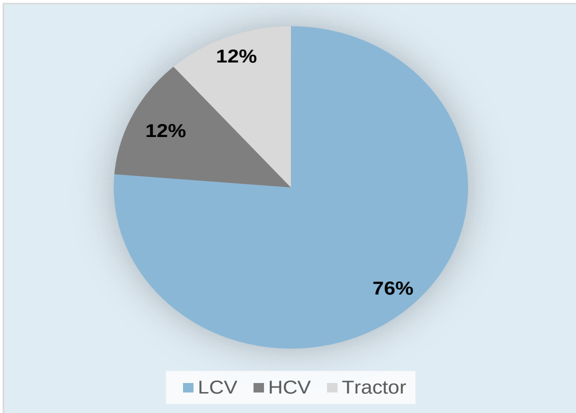
In terms of both volume and value, the contribution of LCVs is the highest amongst all segments, though average realisation of a rear axle shaft in tractors is the highest among other vehicle segments.

Axle shaft volume mix CY 2014 (5.2 million units)



(Source: CRISIL Research)

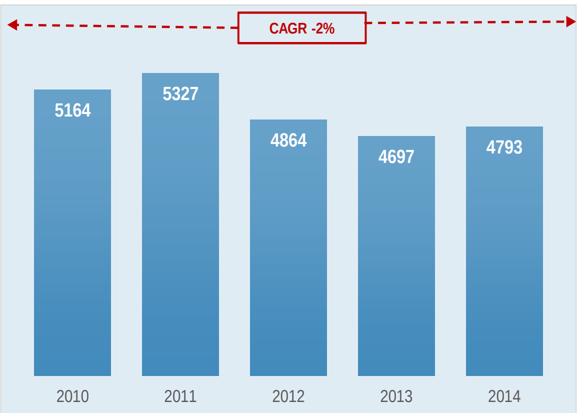
Axle shaft value mix CY 2014 (US$ 239 million)



(Source: CRISIL Research)

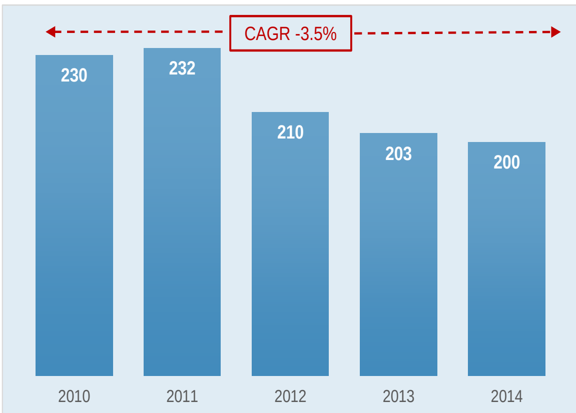
The current market size for spindles used in commercial vehicles produced in Europe is around US$ 200 million. Between CY 2010 and CY 2014, spindle volume declined due to a fall in the production of HCVs. Decline in raw material prices led to further degrowth of spindle market in value terms.

Spindle volume (in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

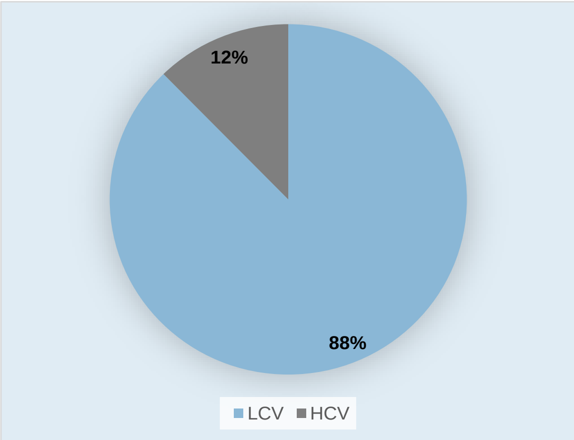
Spindle value (in US$ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

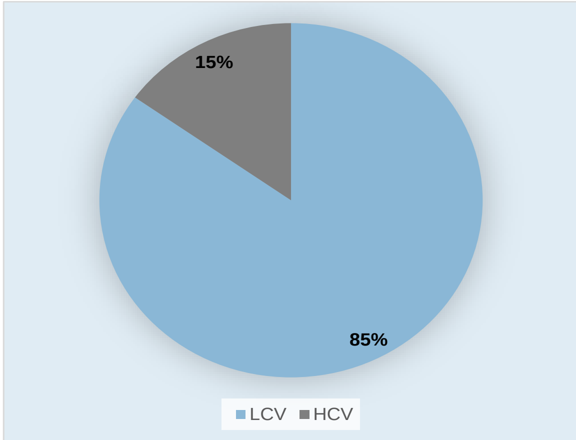
LCV contributes the highest amongst all segments in terms of both volume and value. However, share of HCV in spindle value mix is relatively higher as average realisation per spindle in HCV is more.

Spindle volume mix CY 2014 (4.8 million units)



(Source: CRISIL Research)

Spindle value mix CY 2014 (US$ 200 million)



(Source: CRISIL Research)

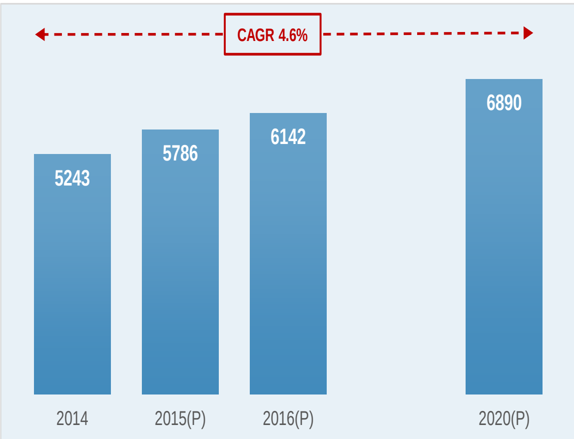
Rear axle shaft and spindle outlook

In Europe, rear axle shaft and spindle volume is estimated to post a CAGR of 4.6% and 5%, respectively, between CY 2014 and CY 2020 based on:

- CV production is expected to increase by around 4-5% CAGR between CY 2015 and CY 2020 as the outlook for economic growth in EU has brightened. In the long term, Turkey, Russia and Eastern European countries are expected to play a dynamic role in automobile manufacturing.

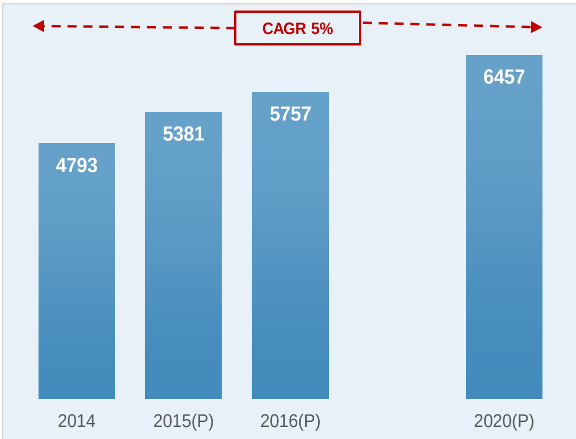
- Tractor production is expected to remain flat over the next five years because of uncertainties in EU subsidy payments caused by the newly introduced CAP and low cereals and milk prices.

Axle Shaft volume(in '000 units)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

Spindle Volume (in '000 units)



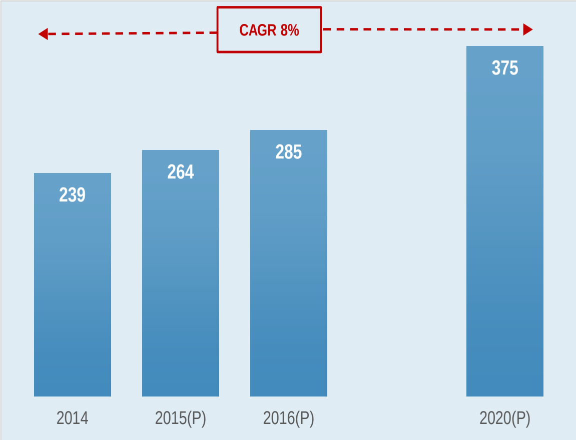
Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

- Raw material prices are estimated to remain flat due to weak global steel demand. However, manpower and other overhead costs are expected to exert pressure on the price. Average realisation per rear axle shaft and spindle is expected to increase by 2-4% CAGR over the next five years.

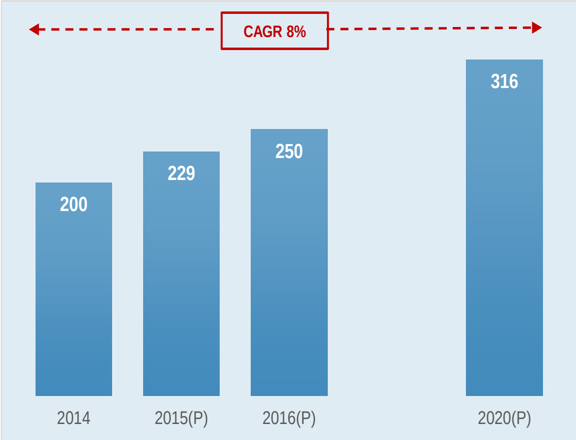
Based on that, rear axle shaft and spindle market size is expected to expand at around 8% CAGR over the next five years. In CY 2020, rear axle shaft and spindle market size for commercial vehicles and tractors produced in Europe is projected to be around US$ 375 million and US$ 316 million, respectively.

Axle Shaft Value (In US$ million)

Spindle value (In US$ million)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)



Note: Market sizing only considers CV and Tractor segment
(Source: CRISIL Research)

OUR BUSINESS

Overview

Established in 1993, our Company is today among the leading manufacturers of rear axle shafts used in on-highway and off-highway vehicular segments in India *(Source: CRISIL Report)*. Since our first supplies in 1995 and our first exports in 2002-2003, we have grown to production levels of more than 1.97 million components in Fiscal 2015. We manufacture and supply a diverse range of rear axle shafts, other shafts and spindles for the on-highway segment, i.e. for light commercial vehicles ("**LCVs**"), medium commercial vehicles ("**MCVs**") and heavy commercial vehicles ("**HCVs**") and other transport vehicles such as buses. We also manufacture and supply a diverse range of rear axle shafts and other shafts for the off-highway segment, i.e. for agricultural tractors and machinery, forestry and construction equipments, electric carts and other specialty vehicles used in mining and defense sectors. We also manufacture solid and hollow spindles used in the axle assembly for various vehicles and equipments in the on-highway segment which we supply to our export customers.

We have a broad customer base for both the on-highway and off-highway segments and our customers are based in India and overseas. Our customers primarily include original equipment manufacturers ("**OEMs**") such as Mahindra & Mahindra Limited, John Deere, Tractors and Farm Equipment Limited ("**TAFE**"), and tier-1 suppliers to OEMs such as Automotive Axles Limited, Meritor HVS AB and Dana Limited. In Fiscal 2015, our domestic sales and export sales constituted 51.67% and 48.33% of our revenue from operations, respectively. Our domestic customers in the on-highway segment include major tier-1 suppliers such as Automotive Axles Limited and Dana Limited and HCV manufacturer such as Meritor HVS AB. In the off-highway segment, our domestic customers include major tractor manufacturers such as Mahindra & Mahindra Limited, TAFE, Escorts Limited and Claas India Private Limited. We also export rear axle shafts, other shafts and spindles to various countries including USA, Sweden, Turkey, Brazil, Italy, Germany, Spain, Mexico, Japan, UK, France, China and Australia. Our major global customers include Meritor HVS AB, John Deere, Transaxle Manufacturing of America, Dana Limited and Kubota Corporation.

The chart below provides a region-wise break-up of our export sales for Fiscals 2015, 2014, and 2013:

Country	**Export Sales (in ₹ millions)**		
	Fiscal 2015	**Fiscal 2014**	**Fiscal 2013**
North America	993.29	208.57	256.14
Europe	800.15	933.55	681.42
Asia Pacific	97.27	92.49	95.55
South America	167.61	198.70	140.23
Total	**2,058.32**	**1,433.31**	**1,173.34**

We have two manufacturing facilities: Unit I located in village Mehtiana, district Hoshiarpur, Punjab and Unit II located at village Gulabgarh Jattan, district Kapurthala, Punjab. Both of our manufacturing facilities are ISO/TS 16949:2009 certified for manufacture of rear axle shafts, other shafts and spindles for automotive applications. As of March 31, 2015, our manufacturing units have a total annual manufacturing capacity of 2.30 million rear axle shafts, 0.40 million other shafts and 0.30 million spindles.

Our manufacturing facilities include machinery imported from various countries including Italy, Germany, Japan, China and Taiwan, used for various processes such as materials testing, forging, heat treatment, machining, induction hardening and packaging. Some of our significant machineries include 13" upsetter, direct drive screw press supported by robots, Lasco extrusion press supported by robots and electric heat treatment furnace, and direct drive screw press supported by robots for heavy axle shafts forgings. Our machineries enable us to manufacture rear axle shafts up to input weight of 165 kg.

Our Promoters have an average of approximately 28 years of experience in the engineering and auto component manufacturing sector. They have been on the Board of our Company since our inception in 1993 and have played a pivotal role in the innovation, success and growth of our Company.

For Fiscal 2015, our total revenue and our net profit were ₹ 4,306.44 million and ₹ 215.98 million, respectively. For Fiscal 2015, our total sales was ₹ 4,258.67 million comprising domestic sales of ₹ 2,200.26 million and export sales of ₹ 2,058.41 million.

Key Milestones

Please see below the key milestones indicating the growth of our Company since its inception:

Year	Particulars
1994	Company obtained certificate for commencement of business
1995	Company started supply of fully finished and ready to assemble mechanised axle shafts to OEMs, such as Mahindra & Mahindra Limited
2002 - 2003	Started exports to USA and Europe
2004	Installed 13" Upsetter with new heat treatment shop
2007	Commissioned 66 kVA dedicated electricity supply line for Unit I
2008	Invested in forging technology for rear axle shafts with direct drive screw press supported by robots
2012	Commissioned Unit II with facility for commercial vehicle axle shafts and spindles machining
2013	Commissioned Lasco extrusion press supported by robots and electric heat treatment furnace at Unit II
	Commissioned direct drive screw press for heavy axle shaft forgings supported by robots at Unit I
2015	Commissioned 66 kVA dedicated electricity supply line for Unit II

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Among the Leading Manufacturers of Axle Shafts in India

We are among the leading manufacturers of axle shafts for commercial vehicles and off-highway vehicles in India *(Source: CRISIL Report)*. We also have a considerable presense in export markets which is owed to experience in the development and manufacturing of axle shafts. We have been supplying components to domestic customers since 1995 and to overseas customers since 2002. We believe that we have the ability to compete globally in measurable quality, cost, delivery and technology. With the domestic rear axle shaft market expected to grow at 13% CAGR over the next five years and with new opportunities expected to open up for export-oreinted, low cost countries such as India *(Source: CRISIL Report)*, we believe that our leadership position provides us the platform to benefit from this growth, both domestically and globally.

2. Diverse Product Range of Axle Shafts and Spindles

We currently manufacture a large variety of rear axle shafts, ranging from 1.5 kg to 65 kg and have the capacity to manufacture rear axle shafts of up to 165 kg input weight. We have established a strong presence across various automotive segments including commercial vehicles and off-highway vehicles. In addition, we manufacture a range of spindles and other shafts for automotive application.

We believe that we are insulated to a degree against fluctuation in demand for a specific product because of the wide range of products that we currently offer and our ability to develop new products required by our customers. We believe that our in-house engineering department and the research and development activities that we undertake in each of our product divisions enable us to continuously innovate and develop new products and processes.

3. Strong Long Term Customer Relationships and Diversified Customer Base

We believe that we have a strong and established relationship with our customers. Certain of our domestic customers such as Mahindra & Mahindra Limited have been our customers since 1995. Further, we have supplied axles to some of our overseas customers for more than a decade.

Our customers include global OEMs and tier-1 suppliers such as Dana Limited (USA, Mexico and Brazil), John Deere (Spain and USA), Kubota Corporation (Japan) and Meritor HVS AB (Sweden, Italy, Brazil, USA), as well as leading Indian OEMs and tier-1 suppliers such as Claas India Private Limited, TAFE, International Tractors Limited, Escorts Limited, Axles India Limited, Automotive Axles Limited and Mahindra & Mahindra Limited. We have a long standing relationship with Mahindra & Mahindra Limited and John Deere, which are our two largest customers in the off-highway segment in India, and Automotive Axles Limited which is our largest customer in the on-highway segment in India. We have partnered with many of our key customers in the product development process, enabling our products to meet the exact specifications provided by the customers and to ensure repeat orders.

Our long term relationships with our key customers allow us to understand and cater to their diverse requirements, including the development of new products. Further, it gives us an opportunity to cross sell to them in other vehicle and equipment segments into which they may diversify. For example, we are supplying components to Escorts, International Tractors Limited and John Deere for tractors, construction equipments and agriculture equipments. This also gives us an opportunity to grow our sales in line with the growth of our clients.

Given our experience in supplying components in 13 countries across five continents, we believe we are well positioned to seek new clients across the globe.

4. Manufacturing Facilities with Large Capacity and Modern Machinery

We presently own two manufacturing facilities: Unit I located in village Mehtiana, district Hoshiarpur, Punjab and Unit II located at village Gulabgarh Jattan, district Kapurthala, Punjab. Our total manufacturing capacity as on March 31, 2015 was 2.30 million rear axle shafts, 0.40 million other shafts and 0.30 million spindles annually.

Our manufacturing capabilities provide us with the following distinct advantages:

- We have integrated facilities from forging to finished products under one roof which gives us economies of scale.

- Our large scale capacity allows us to service customer requirements in a timely and efficient manner and we have the flexibility to produce different ranges of customised products.

- We have full service capabilities across the product manufacturing value chain, including engineering, forging, machining, and quality testing. All processes from materials receipt, forging, heat treatment, machining, induction hardening and packaging are located under one roof resulting in better efficiency;

- Both of our manufacturing facilities are located in rural areas where unskilled manpower is easily available at economical cost and we believe we have a low attrition rate; and

- Our manufacturing facilities are located near to facilities of some of our large customers such as International Tractors Limited, Mahindra & Mahindra (Swaraj division), Escorts Limited and New Holland Limited which we believe results in lower transportation and logistics cost. Besides this, our Company makes part of its exports through dry port located at Ludhiana which is situated at a distance of approximately 60 kms from our manufacturing facilities.

5. Highly Qualified Management and Skilled Employee Base

We are led by a management team and staffed with employees who have significant experience in our industry. Our Executive Chairman, Mr. Rachhpall Singh, and Managing Director, Mr. Gursaran Singh, have been involved in the automotive component industry since 1970 and our Promoters have an average of approximately 28 years experience in engineering and auto-component sector and our Key Management Personnel are also experienced in the engineering industry. The majority of our Key Management Personnel have been employed with our Company for over ten years and have contributed towards growth of our Company. Through their commitment and experience, we believe our management team has established a good reputation and name for our Company in India and overseas.

We have been focused on the recruitment, training and retention of a highly skilled employee base. As of June 30, 2015, we have 958 employees including 115 engineers and engineering diploma holders. This coupled with continuous on-site learning and training programmes has helped us to develop and adopt new technologies, maintain high productivity and achieve faster product development cycle.

6. Strong Engineering, Product Development and Technological Capabilities

We place strong emphasis on engineering and product development to enhance our product range and improve our manufacturing processes. We have in-house metallurgical and metrological laboratories and we believe that we have developed strong product design capabilities and short product lead time which allows us to service our customers more effectively and in a timely manner. We have offered a number of cost reduction and value engineering proposals to our customers on the basis of in-house improvements in manufacturing processes which resulted in low input cost and low operation cost. For example, one of our large customers, Mahindra & Mahindra Limited, has given us a cost reduction efficiency (CRE) performance award. We have also received Best Supplier award from TAFE and Commendable Performance award from John Deere. For further details of the awards received from our customers, please see "– Awards and Recognition" on page 128.

7. Consistent Financial Performance and Strong Financial Position

Our increasingly diversified geographical presence, use of modern manufacturing facilities and a broad customer base for both the on-highway and off-highway vehicular segments has led us towards sustained growth in financial indicators including our revenue and profits, as well as a consistent improvement in our balance sheet position in the last five Fiscals. We have achieved growth in our total revenue from Fiscal 2010 to Fiscal 2015 by CAGR of 6.63%. While there was a slowdown in the domestic tractor industry in Fiscal 2015, we have increased our total revenue by ₹ 263.96 million from ₹ 4,015.78 million for Fiscal 2014 to ₹ 4,258.67 million for Fiscal 2015 and our profit after tax by ₹ 83.33 million from ₹ 132.65 million for Fiscal 2014 to ₹ 215.98 million for Fiscal 2015 primarily on account of high growth in export sales. We believe that we have achieved this position due to regular capacity augmentation in plant and machinery, acquisition of new customers and diversification of our customer base in the domestic and international markets, improvement in share of business with some of our key customers and optimizing costs of sourcing raw materials and other fixed costs. We have undertaken a number of cost control measures to improve our results of operations including value engineering in terms of better die design to reduce the input weight of the component which results in saving in raw material consumption, shifting of pre forging heating from furnace oil to electricity thus reducing the burning losses, standardization of tools to obtain maximum tool life and other process improvements resulting in overall efficiency in manufacture.

Our Key Strategies

The key elements of our strategy are as follows:

1. Focus on Exports from India

As the globalisation trend continues and barriers to trade in various markets are reduced across the world, we believe that an export oriented strategy will continue to offer us business advantages. We intend to leverage the low cost advantages of manufacturing in India. We have seen an increasing trend in export sales in Fiscals 2015 and 2014. For further details of future prospects regarding export markets, please see the section entitled "Industry Overview – Auto Component – Rear Axle Shaft and Spindle – Other Major Global Markets" on page 107. We also aim to capitalise on the available tax incentives provided by the Government of India, such as export promotion capital goods and duty drawback schemes, to offer cost advantages to our overseas customers. We aim to work closely with the global sourcing offices of our overseas customers to develop relationships and enhance our global customer base. For this purpose, our senior management including our Promoters interact regularly with the management of our key overseas customers. We believe that we can take advantage of the existing relationships with overseas customers and expand these relationships into other product segments.

2. Diversify Product Portfolio and Expand Customer Base

Our Company will continue its focus on development of new products as well as expanding our existing lines of products. For example, we are currently developing products such as heavy axle shafts for off-highway segment.

We also intend to continue to diversify our customer base. Our top ten domestic customers contributed to 89.06% of our domestic sales, for Fiscal 2015 as compared to 94.32% of our net sales, for Fiscal 2014. Our top five overseas customers constituted 91.32% of our export sales for Fiscal 2015 as compared to 91.94% of our net sales for Fiscal 2014. We believe that there will be a growth in the Indian agricultural tractor segment and we intend to maintain our strong position in this segment.

We will continue to maintain our relationships with leading domestic and international OEMs and tier-1 suppliers and seek opportunities to supply our products to them in new geographies. As part of our plan for expansion of our customer base, we propose to diversify our product portfolio to include new components that we are developing. We aim to supply the new components both to our existing customers as well as new customers.

3. Continue to Focus on Quality, Cost Reduction and Delivery

Our commitment to focus on quality, cost reduction and adherence to delivery schedules is evidenced by the following key initiatives:

- Our focus on quality is exemplified through the ISO/TS-16949:2009 certifications that we have obtained for both our manufacturing units, with respect to our manufacturing processes. ISO/TS 16949:2009 are applicable to sites of the organization where customer specified parts are manufactured.

- All of our manufacturing processes are carried out in-house, which also allow us to monitor the quality of our manufactured products, control our production costs and maintain our delivery schedules.

- Certain of our employees have been trained and certified with Six Sigma Certified Black Belts (Level I). Such training and certifications help to improve the efficiency and reliability of our manufacturing processes across our manufacturing facilities.

- We have undertaken several initiatives to reduce costs such as value engineering at die making to reduce the cost of input material, optimising tool consumption by using designated tools for designated processes, shifting of heating from furnace oil/diesel to electricity to minimise the burning losses in forging and certain of our forging facilities are robotised to increase their capacity utilisation.

- We also focus on our relationships with vendors to ensure that our quality, costs and delivery objectives are met and we have taken steps such as regular vendor audits for this purpose.

- We have a centralised approach towards sourcing and vendor management, which ensures that we gain economies of scale in raw material procurement, especially with respect to our most important raw material, steel.

- We focus on packaging of products according to our customers' requirements and with due consideration to the mode of transportation and destination which allows us to ensure timely deliveries.

4. Rationalisation of plant and machinery, investment in new machines and increased automation to enhance capacity optimisation

Our Company has full service capabilities across the product manufacturing value chain, including engineering, forging, machining, and quality testing. Each of these processes is systemised and most processes are carried out under one roof, which strengthens our capacity to meet customer demands satisfactorily and in accordance with delivery schedules. For example, our Company's presses offer us the capability to produce a range of forgings of up to 165 kg input weight, enabling us to meet bespoke customer demands and deliver products of high quality. We will continue to further rationalise our production processes to enhance capacity and increase efficiency in each stage of production.

To achieve further rationalisation, we intend to acquire new machinery to bolster our machining facilities and ensure that there are no bottlenecks in our production lines. We aim to purchase new machinery to be installed in all of our manufacturing processes which will expand our capacity. We plan to acquire machinery in machine shop and heat treatment shop for optimum capacity utilization of forging presses already installed such as screw press and deep extrusion press for spindles. We also plan to purchase machinery in forging, heat treatment and machine shop for additional capacity build-up for axle shaft business of our Company. We also plan to purchase service equipments such as fork lifters and DG sets. For an indicative list of the plant and machinery proposed to be purchased by our Company, please see the section entitled "Objects of the Issue – Details of Utilisation of Net Proceeds – Purchase of Plant and Machinery" on page 69. Installation of new machinery will help us take advantage of economies of scale and will reduce our production time and costs.

Our Company has taken steps towards better utilisation of resources and maximising efficiency by increasing automation in the forging and machining processes. Our Company uses IT enabled business processes such as advanced computer aided design and analysis capabilities which accommodate a range of customer specifications. Our forging facilities such as screw press with direct drive and extrusion press are supported by robots. We intend to further invest in achieving greater levels of automation by acquiring automatic line for the sawing of round and square bars, fully automatic grinder and polisher and industrial robots such as IRB 7600/500kg. We intend to invest in automation for most stages of our production process to ensure optimal use of resources, reduction of industrial risk to human workers, economies of scale and significantly higher precision in the overall manufacturing and design of products.

Our Products

Our Company manufactures rear axle shafts, other shafts and spindles for the on-highway and off-highway vehicular segments.

Rear Axle Shafts

Rear axle shafts are the primary products of our Company. Rear axle shafts contributed approximately 85% to our total sales for Fiscal 2015.

Axle is a part of transmission assembly of an automobile. The main purpose of axle is to bear the weight of the vehicle and also maintain the position of the wheels relative to each other and to the vehicle body. Axles can either be live-axles or non-driving axles. In an automobile, live axles help in transmitting the power from engine onto the wheels via the drive shaft. Generally in commercial vehicles and agricultural tractors, the rear axle acts as the live-axle and the front axle acts as the non-drive axle. Rear axle shaft is a part of the rear axle assembly and helps in transmitting the driving torque to the wheels.

We manufacture and supply a diverse range of rear axle shafts under the on-highway segment, for light, medium and heavy commercial vehicles including transport vehicles such as buses. We also manufacture and supply a diverse range of rear axle shafts under the off-highway segment, for tractors, forestry and agriculture machinery, construction equipments, electric carts and other specialty vehicles used for mining and defense.

Certain varieties of axle shafts manufactured by us are as follows:

Axle Shafts for Multi Utility Vehicles

1.5 kg - 3 kg

5 kg - 8 kg

Axle Shafts for Commercial Vehicles:

Light Commercial Vehicles in 1.56” range < 15 kg
Medium Commercial Vehicles in 1.66” range < 20 kg

Axle Shafts for Specialty Vehicles (20 kg - 40 kg)

Axle Shafts for Specialty Vehicles (50 kg -65 kg)

Spindles

We also manufacture spindles for both on-highway and off-highway vehicular segments. Spindle is a part of axle housing assembly of an automobile. The main purpose of the spindle is to transmit torque. Spindles contributed approximately 9% to our total sales for Fiscal 2015. Spindles manufactured by us are currently supplied to export customers.

Certain varieties of spindles manufactured by us are as follows:

Spindles for Heavy Commercial Vehicles

Spindles for Specialty Vehicles

Other Shafts

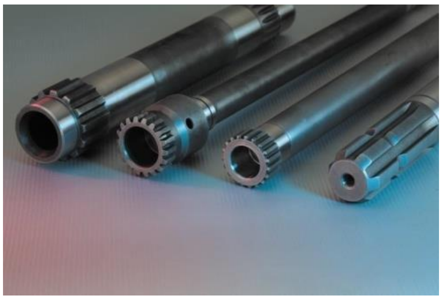
We also manufacture other shafts including drive shafts, power take-off shafts, hydraulic lift shafts, and transmission shafts. These shafts are a part of transmission assembly of an automobile. Drive shaft is a mechanical component for transmitting torque and rotation, usually used to connect other components of a drive train that cannot be connected directly because of distance or the need to allow for relative movement between them. Other shafts contributed approximately 6% to our total sales for Fiscal 2015.

Certain varieties of other shafts manufactured by us are as follows:

Drive Shafts

Power Take-off and Transmission Shafts

Counter Power Take-off Shafts **Hydraulic Lift Shafts**



Our Manufacturing Facilities

We presently own two manufacturing facilities: Unit I located in village Mehtiana, district Hoshiarpur, Punjab and Unit II located at village Gulabgarh Jattan, district Kapurthala, Punjab. Both of our manufacturing facilities are ISO/TS 16949:2009 certified for manufacture of rear axle shafts, spindles and transmission shafts for automotive applications.

The following table sets out our annual production capacities for various components manufactured by us as on March 31, 2015:

Component Description	Annual Installed Capacity (in numbers)*	Actual Production (Fiscal 2015)	Capacity Utilisation (%)
Axle Shafts	2,300,000	1,547,685	67.29
Spindles	300,000	152,278	50.76
Other Shafts	400,000	250,727	62.68

** This is on the basis of current product mix, subject to variation.*

Unit I

Unit I is located on a land parcel admeasuring 21.04 acres in village Mehtiana, district Hoshiarpur, Punjab and comprises a total built-up area of 288,741 square feet.

Our manufacturing facility at Unit I includes 13” Upsetter with heat treatment shop. Unit one also uses world class forging technology for rear axle shafts with material gathering machines and direct drive screw press supported by robots, hydraulic press, and direct drive screw press supported by robots for heavy axle shafts forgings up to 165 kg input weight along with induction heaters.

The machine shop at Unit I also includes cold rolling machines, spline making, drilling and final machining for grinding, milling, threading and slot making of components.

For testing raw material, Unit I has ultra sonic testing machines which are used for conducting non destructive tests on the components to find any internal flaw or defect. In addition we have in-house capability for tool and die manufacturing with computer aided design facilities.

Unit II

Unit II is located on a land parcel admeasuring 9.62 acres at village Gulabgarh Jattan, district Kapurthala, Punjab and comprises a total built-up area of 230,520 square feet.

We commissioned our Unit II by commissioning Lasco extrusion press with direct drive automation supported by robots and electric heat treatment furnace and another direct drive forging press supported by vertical metal gathering machine. Further, hydraulic press, screw press supported by metal gathering and continuous hardening and tempering furnace and other machinery for various processes have also been installed at Unit II.

Operating Shifts and Maintenance

Our manufacturing units operate on three shift basis with shifts of eight hours each (including rest hours). The units do not require complete shutdown for maintenance purpose and the preventive and other maintenance work is planned on a machine to machine basis.

Our Manufacturing Process

The following chart sets forth the step-wise process involved in manufacturing axles shafts:

[PROCESS STEP CHART IN NEXT FULL PAGE]

1. Material Testing

- Raw material is received and inspected for its compliance with specifications.
- Steel is inspected for any surface flaw, subsurface flaw, chemical composition, dimensions, etc.
- Observations are recorded on Material Test Report.

2. Blank Cutting

- The steel bars are then cut on band saws.
- The blanks are cut to the specified length.

3. Forging

- The blanks are then forged to attain the desired shape of the component.

4. Heat Treatment

- The forgings are then heated to achieve the desired metallurgical properties.

5. Shot Cleaning

- The heat treated parts are then cleaned using steel shots to remove the layer of scaling formed after heat treatment process.

6. Flaw Detection (UT)

- The component is then checked for subsurface flaws by Ultrasonic Testing (UT).

7. Rough Turning

- The part is then turned on 'Rough Copy' turning centre or centre lathe to remove the excessive material.

8. Final Turning

- The rough turned part is then fed into 'Computer Numerical Control' system to generate the specified contours on the part.

9. Spline Making (Hobbing)

- Splines are produced on the part after final turning.
- The splines are made as per the specification of the customers to match the profile of the mating part.

10. Induction Hardening

- The component is then subjected to induction hardening.
- The components are further hardened in this process to prevent any surface wear and tear during usage.

11. Tempering

- The induction hard part is then heated in tempering furnaces. Tempering is done to remove the internal stresses generated in the component.

12. Drilling

- In drilling, holes are produced in the component as specified by the customer.

13. Final Machining

- Final Machining comprises of many processes that are done after induction hardening. They may vary from component to component. Some of the final machining processes are:
  a) Grinding
  b) Milling
  c) Threading
  d) Slot making

14. Final Inspection

- During final inspection, each part is carefully inspected to ensure that all the parameters meet the specification.

15. Packaging

- Approved parts after final inspection are moved to packaging area, where they are packed according to their mode of transportation, destination, customer's requirements, etc.

Internal Control Systems

Our Company has a well defined internal control system and we take abundant care to design, review and monitor the working of the internal control system. Our Company conducts internal audits to measure efficiency, adequacy and effectiveness of organisation controls. Our Company has also implemented SAP software system in June 2010 which has resulted in improvement of the accounting systems and further strengthening of internal control systems, inventory control and planning.

Our Customers and Customer Contracts

We have a well diversified customer base spread across geographies. As of March 31, 2015, we have supplied over 9.00 million units of axle shafts in the last five Fiscals and have serviced various customers in India and across different geographies including United States, Mexico, Brazil, United Kingdom, Sweden, Germany, Spain, France, Italy, Turkey, China and Japan. For Fiscal 2015, our export and domestic sales have accounted towards 48.33% and 51.67% of our revenue from operations, respectively. Our domestic sales to top five customers and top ten customers is 61.59% and 89.06% of our total domestic sales, respectively, whereas our exports sales to top five and top ten customers is 83.62% and 97.01% of our total export sales, respectively.

We have developed long term relationships with marquee global customers in the automobile sector, such as Meritor HVS AB and John Deere with whom we have had relationships for over ten years. We have also recently entered into a long term supply agreement with Dana Limited in Fiscal 2015.

With certain OEMs, we have strengthened our relationships and received multiple orders from different business divisions and locations globally, including through our efforts to cross sell different axle shafts and spindles to our global OEM customers. For example, we started supplying axle shafts to Meritor USA and presently we are supplying axles & spindles to Meritor Sweden, Italy, USA and Brazil. We started supplying axles to Dana Limited in USA and now we are supplying to Dana Mexico, Australia and Brazil. Similarly, we started supplying to John Deere in Germany and are now supplying to John Deere in Spain, Brazil and Mexico.

We enter into long term supplier contracts with our key OEM customers and tier-1 suppliers to OEM customers, both domestic and overseas, the terms of which range from three to ten years. The contracts mainly set out the terms and conditions between the parties including sale procedure, agreement renewal, payment schedule, warranty, indemnity, confidentiality and termination. The contracts provide for an estimated quantity of components to be purchased by such customer over the years, however, the actual quantity of components to be supplied is determined by the purchase orders drawn by our customer over the term of the contract. For other customers, we supply components on the basis of purchase orders.

Typically, we receive purchase orders and delivery schedules from our customers and the component is then manufactured according to the specifications provided by the customer. We are not required to maintain buffer stocks as the production is planned according to purchase orders and delivery schedules received from the customers. We usually keep a six to 12 days inventory of finished goods.

Pursuant to such purchase orders, in case of supply of axles or spindles to our overseas customers, we export such products to our customers through shipping lines. We deal with the freight forward agents for export of such products and all our products are exported to our overseas customers through – dry port in Ludhiana and the ports at Mundra and Nhava Sheva. The responsibility and the risk of delivery rests with us depending on the type of contract. Accordingly, we maintain marine cargo transit insurance policies to cover the various risks during the transit of good, whether in India or overseas.

Our customer contracts contain a warranty provision which warrants/guarantees conformity of the products to specifications, drawings, samples or descriptions furnished by the customers and further warrants that products delivered will be competitive, of good material and free from defect.

Raw Material Suppliers and Utilities

The primary raw material required for manufacturing of our products is steel. Steel is procured locally from customer approved steel producers in the form of hot rolled bars and round corner squares. Procurement of material grades of steel is done in accordance with specifications/standards provided by the customers.

We purchase steel bars of specified quality and dimensions from various suppliers on a spot market basis. Our steel suppliers include Vardhman Special Steels Limited, Gerdau Steel India Limited, Bhushan Power & Steels Limited, Jayaswal Neco Industries Limited and Aarti Steels Limited. We believe that we typically enjoy competitive rates for our purchases given the volume of our purchases.

Inputs such as tools, furnace oils, spares and oil and lubricants are procured by the Company from local vendors on spot market basis.

We have a dedicated high power electricity line from Punjab State Power Corporation Limited for both our manufacturing facilities. We have installed a 10/12.5 M.V.A. 66/11 K.V. power transformer and 66 KV switch yard for each of our manufacturing units.

Our manufacturing facilities are also supported by 6 DG sets with the total aggregate capacity of 3,730 kVA. We purchase diesel for our DG sets from open market.

We purchase the furnace oil required for forging/heat treatment in the spot market.

We draw water from our own bore wells within the factory premises.

Sales and Marketing

We are currently manufacturing and supplying axle shafts, shafts and spindles to domestic and global OEMs (including tier-1 suppliers to OEMs) spread across 13 countries in five continents. We have established a marketing network for procuring purchase orders from our existing and prospective domestic and international customers. We have entered into long term supply contracts with some of our customers while we supply components on purchase order basis for the rest of our customers.

We have separate divisions for sales and marketing which cater to domestic and export sales, respectively. Our marketing teams frequently visit the central purchasing offices of our customers and to the facilities of our customers where we supply the components. This mechanism not only helps our teams to be constantly in touch with our customers but also keeps them abreast of the latest production levels/ demands of our customers for a particular product. Our field teams are constantly in touch with our marketing teams at our corporate office and keep them updated about the prospective demands for our products and accordingly the production teams at our Company plan the production for a particular product for a particular customer. This also helps in building a long term relationship with our customers.

Competition

The automotive component industry is extremely competitive. We face competition from manufacturers of axles, other shafts and spindles in both domestic and international markets. Some of our competitors have a significant market share in certain geographies while at times we compete with some competitors who manufacture similar products for the same customer. We do not have a single competitor that operates across all our product ranges and geographies. We enjoy significant business with our existing domestic customer base in India. Most of our domestic customers have been marquee OEMs or tier-1 suppliers to OEMs, which include Mahindra & Mahindra Limited, International Tractors Limited, Axles India Limited, Automotives Axles Limited, Claas India Private Limited, Escorts Limited and TAFE. While we have been able to increase our domestic market share consistently, we continue to compete with domestic players engaged in the manufacture and supply of components to off highway and on highway segments. Since we have been supplying to domestic OEMs for several years as a business strategy, our Company had explored the opportunity of supplying components to overseas customer a decade ago. As a result of this strategy our Company has been supplying components to global OEMs which include Meritor HVS AB, John Deere, Dana Limited and Kubota Corporation. We have been supplying our components to overseas market for a decade and we continue to compete with domestic as well as global entities engaged in supplying components to our overseas customers.

Intellectual Property

The logo and name "GNA" included in the name of our Company is partly owned by GNA Sons, a partnership firm with certain members of our Promoters Group as partners. GNA Sons through an agreement dated May 20, 2002 (as amended through the supplementary agreements dated April 12, 2006 and September 12, 2011) permitted our Company to use the name and logo "GNA" for a royalty of 0.15% of the sale value (assessable value of the products under the Central Excise Act). This agreement will be due for renewal on April 1, 2016.

Environment and Energy Conservation

Our Company has obtained all material environmental consents and licenses necessary for the operation of its business. For further details, please see the section entitled "Government and Other Approvals" on page 236. Our Company has also obtained ISO 14001:2004 certifications for implementing an environment management system.

Our Company takes measures for energy conservation and has set up a separate wing for energy conservation. Our Company has constituted a 'Quality Council' to look after various activities including energy conservation. The main tasks of the 'Quality Council' include the audit of oil and power conservation, implementation of latest technology to reduce energy losses, minimise idle running hours of equipments and monitoring and benchmarking of energy equipments. These activities achieve reduction of energy consumption resulting in conservation of environmental as well as cost saving.

Human Resources

As on June 30, 2015, we had a total of 958 employees on our rolls. 115 of our employees hold a bachelor's degree or a diploma in various engineering disciplines.

Our policies are targeted towards recruiting talented individuals, retaining their loyalty and ensuring their growth. These employees are employed in various capacities and positions in the divisions of our Company, which range from professionals such as chartered accountants, company secretaries, management graduates, engineering graduates and diploma holders to machine operators and workers. Recruitment of personnel in different categories is carried out by the human resources department of our Company. We provide our employees with ongoing career development opportunities and training programmes.

Our Company undertakes various training programmes and initiatives to educate and train our workers and employees on a regular basis. Such training programmes include training on industrial safety, use and care of measuring instruments, and various processes such as hobbing, grinding, turning and drilling. Our Company also conduct regular training programmes on awareness on various accreditations, internal auditing and to improve quality control and communication skills.

Our Company continues to lay emphasis on building and sustaining an excellent organisation climate based on human performance. Our Company pursues proactive policies to achieve peaceful and harmonious work environment in both the manufacturing units.

Employees are evaluated on a yearly basis for their performance on specified parameters. We believe that our Company's growth and work environment combined with high employee satisfaction rate has allowed us to attract talent on a large scale.

Our Company has maintained group gratuity schemes and group savings linked insurance for the welfare and benefit of our employees.

Insurance

Our Company has insurance coverage which we consider reasonably sufficient to cover general risks associated with our operations. Our Company has taken insurance polices in respect of our business, assets such as stocks, plant and machinery, buildings and equipments. We have fire and special perils insurance, with additional cover for natural calamities such as earthquake for our main offices and manufacturing facilities. We maintain marine cargo transit insurance policies to cover the various risks during the transit of goods any where in the country or overseas. We also have product liability insurance for indemnification of any loss caused by our products.

We have group medi-claim policies, personal accident policy including coverage for death of employees due to accidents, and superannuation policies providing pension benefits to employees and their families.

Properties

Our registered office is located at GNA House, 1-C, Chhoti Baradari - Part II, Garha Road, Opposite Medical College, Jalandhar 144 001, which has been leased to us by GNA Duraparts Limited for a rent of ₹ 10,000 per month.

Our corporate office and our manufacturing facilities at Unit I are located at a land parcel admeasuring 21.04 acres located at VPO Mehtiana, Phagwara-Hoshiarpur Road, district Hoshiarpur - 146 001, Punjab which is owned by our Company.

Our manufacturing facilities at Unit II are located at a land parcel admeasuring 9.62 acres in village Gulabgarh Jattan, district Kapurthala - 144407, Punjab which is also owned by our Company.

Our Company also purchased 50% undivided share in a land parcel admeasuring 428.08 square meters along with the building constructed thereon situated at M-41, Great Kailash Part-I, New Delhi from our Executive Chairman, Mr. Rachhpall Singh, through an agreement dated April 13, 2015. This property is used as a guest house by our Company.

Awards and Recognition

Some of the awards that we have received in recognition of our achievements, products or services are as follows:

- Best Supplier Award from Tractors and Farm Equipment Limited, 2015.
- ‘Preferred Commodity Supplier (Forging)’ award from Automotive Axles Limited, 2013;
- ‘Long Association Award’ from Escorts Limited, 2013;
- ‘Commendable Performance 2011’ awarded by John Deere, 2012;
- ‘Best Supplier on VA/VE’ award from Oerlikon Drive Systems, 2012;
- Long association award from Tractors and Farm Equipment Limited, 2010;
- ‘Supplier Recognition Award’ in recognition of outstanding contribution to the AAM India team, 2010;
- ‘Best CRE Performance’ award in farm equipment sector by Mahindra & Mahindra Limited, 2010;
- ‘Best CRE Performance’ award in farm equipment sector by Mahindra & Mahindra Limited, 2009; and
- ‘Overall Performance 2009’ awarded for commendable performance by John Deere, 2009.

Subsidiary

In June 2015, our Company has incorporated a wholly owned subsidiary GNA Axles Inc. in West Bloomfield, Michigan, USA to facilitate the supply of goods to Dana Limited.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations as prescribed by the Government of India or state Governments which are applicable to our Company and our Subsidiary. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Key Regulations in relation to the Auto Component Manufacture Sector in India

Customs Act, 1962

The Customs Act, 1962, as amended ("**Customs Act**") regulates the import of goods into and the export of goods from India. Further, the Customs Act regulates the levy and collection of customs duty on goods in accordance with the Customs Tariff Act, 1975. Under the Customs Act, the Central Board of Customs and Excise (the "**CBEC**") is empowered to appoint, by notification, ports or airports as customs ports or airports. Further, all imported goods unloaded in a customs area are required to remain in the custody of a person approved by the Commissioner of Customs, appointed under the Customs Act, until cleared for home consumption or warehousing upon payment of import duty or may be exported upon payment of export duty, if any, as the case may be.

Customs duty is payable as a percentage of value which is known as assessable value or customs value. The value may either be value or tariff value as defined in the Customs Act. According to section 14(1) of the Customs Act, the value of the imported goods and export goods shall be the transaction value of such goods, that is to say, the price actually paid or payable for the goods when sold for export to India for delivery at the time and place of importation, or as the case may be, for export from India for delivery at the time and place of exportation, where the buyer and seller of the goods are not related and price is the sole consideration for the sale. Tariff value on the other hand is fixed by the CBEC for any class of imported goods or export goods. Authorities will consider the trend of value of the goods in question while fixing tariff value. Once fixed, the duty is payable as a percentage of this value. The Customs Act provides for levy of penalty and/or confiscation of prohibited or dutiable goods that are imported into or exported from an area that is not appointed as a customs port or airport or are imported or exported without payment of requisite duty.

Export Promotion Capital Goods Scheme (the "EPCG Scheme")

The EPCG Scheme is one of the schemes provided by the Government of India to importers and exporters to promote exports. Under this scheme of the Foreign Trade Policy, import of capital goods which are required for the manufacture of resultant export product specified in the EPCG Scheme Authorization is permitted at nil or concessional rate of customs duty. As per the Foreign Trade Policy 2015-2020, EPCG scheme allows import of capital goods for preproduction, production and post-production at Zero customs duty. Import under EPCG Scheme shall be subject to an export obligation equivalent to 6 times of duty saved on capital goods, to be fulfilled in 6 years reckoned from date of issue of Authorisation. Authorisation shall be valid for import for 18 months from the date of issue of Authorisation. Revalidation of EPCG Authorisation shall not be permitted.

Duty Drawback Scheme

The duty drawback scheme is an option available to exporters. Under this scheme, an exporter of goods is allowed to get a refund to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the impact on the goods exported. A relief on the customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawbacks. Customs and Central Excise Duties Drawback Rules, 1995 have been framed outlining the procedure to be followed for the purpose of granting of duty drawbacks (for both kinds of duties suffered) by the customs authorities processing the export documentation.

Under the duty drawback scheme, an exporter can opt either for the all industry rate of duty drawback scheme or the brand rate of duty drawback scheme. A major portion of the duty drawback is paid through the all industry rate of duty drawback scheme which essentially attempts to compensate exporters of various export commodities for the average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of Customs and Central Excise Duties Drawback Rules, 1995 in cases where the export product does not have any all industry rate or duty drawback rate, or where the notified all industry rate or duty drawback rate is considered insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products by the exporter. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by the all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

Intellectual Property Laws

The Copyright Act, 1957 ("**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 prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes *prima facie* evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, copyright protection of a work lasts for a period of sixty 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.

The Trademarks Act, 1999 ("**Trademarks Act**") provides for the application and registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

Under statute, India provides for patent protection under the Patents Act, 1970 (the "**Patents Act**"). The Patents Act governs the patent regime in India and recognises process patents as well as product patents. The form and manner of application for patents is set out under Chapter III and Chapter VIII deals with the grant of patents. Patents obtained in India are valid for a period of 20 years from the date of filing the application. The Patents Act also provides for grant of compulsory license on patents after the expiry of three years of its grant in certain circumstances such as reasonable requirements of the public, non-availability of the patented invention to the public at an affordable price or the failure to work the patented invention.

Laws relating to Employment

The Factories Act, 1948 ("**Factories Act**") defines a "factory" to cover any premises which employs ten or more workers and in which a manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is no electrically aided manufacturing process being carried on. Each State Government has rules with respect to the prior submission of plans and their approval for the establishment of factories and their registration and licensing. The Factories Act provides that an occupier of a factory i.e. the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed thereunder and in case of a contravention continuing after conviction, with a fine of up to ₹ 1,000 per day of contravention. In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- The Child Labour (Prohibition & Regulation) Act, 1986;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;

- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Maternity Benefit Act, 1961;
- The Equal Remuneration Act, 1976;
- Industrial Disputes Act, 1947; and
- Employees' Compensation Act, 1923.

Environmental Laws

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (the "**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution that is not in accordance with such regulations. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be renewed annually.

Fiscal Laws

Income-tax Act, 1961

In accordance with the provisions of the Income-tax Act, 1961, any income earned by way of profits, by a company incorporated in India, is subject to tax levied on it, in accordance with the tax rates declared as a part of the Finance Act issued by the Ministry of Finance annually. For details of the tax benefits availed by our Company, please see the section entitled "Statement of Tax Benefits" on page 78.

Value Added Tax Act

Value Added Tax ("**VAT**") is a modern and progressive form of sales tax based on the value addition to goods. It is charged and collected by dealers on the price paid by the customer. VAT is paid by dealers on their purchases and is usually available for set-off against the VAT collected on sales. VAT is a state subject and therefore the states will have the freedom for appropriate variations in their VAT regimes. Our Company is governed by the provisions of Punjab Value Added Tax Act, 2005.

Finance Act, 1994 and Service Tax Rules, 1994

The Finance Act, 1994 provides for a tax to be levied on services rendered in India. Our company is a service provider and is required to pay service tax in accordance with the provisions of the Finance Act, 1994, as amended and the Service Tax Rules, 1994.

Goods and Service Tax Bill, 2014

The Constitution (One Hundred and Twenty-Second Amendment) Bill, 2014 (the "**Bill**") was introduced in the Lok Sabha on December 19, 2014. The Bill seeks to amend the Constitution of India to allow for the introduction of a goods and services tax. The Bill confers concurrent powers on the central and state governments to make laws on the taxation of goods and services. It gives the Parliament the exclusive power to tax goods and services where supply either occurs in inter-state trade or commerce. The Bill provides for the creation of a Goods and Services Tax Council which will aim to structure the goods and services tax in order to develop a harmonized national market of goods and services.

The Bill amends List I of the Seventh Schedule of the Constitution (the Union List), giving the central government the power to levy excise duties on goods manufactured or produced in India only in regards to: petroleum crude, high speed diesel, motor spirit (petrol), natural gas, aviation turbine fuel, and tobacco and tobacco products. The Bill amends List II of the Seventh Schedule of the Constitution (the State List), allowing states to levy tax on the entry of goods into a local area for use or sale only to the extent levied by a Panchayat or Municipality.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as G N A Axles Limited on September 6, 1993, at Jalandhar, as a public limited company under the Companies Act, 1956. Our Company obtained a certificate of commencement of business on April 5, 1994. As of the date of this Draft Red Herring Prospectus, our Company has 10 shareholders.

For information on our Company's profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major vendors and suppliers, see "Our Management", "Our Business" and "Industry Overview" beginning on pages 138, 114 and 81, respectively.

Changes in the Registered Office

The details of changes in registered office are set forth below:

Date of Change	Details of the change in the address of Registered Office	Reason
September 17, 2001	Registered office of the Company changed from "18 KM Stone Phagwara Hoshiarpur Road VPO Mehtiana District Hoshiarpur" to "311 Prestige Chamber, IInd Floor, G T Road, Jalandhar"	Administrative convenience
April 1, 2011	Registered office of the Company changed from "311 Prestige Chamber, IInd Floor, G T Road, Jalandhar" to "GNA House, 1-C, Chhoti Baradari- Part II, Garha Road, Opposite Medical College, Jalandhar 144 001"	Administrative convenience

Main Objects of our Company

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

"To manufacture, fabricate, produce, process and to purchase, sell, import, export or otherwise deal in all types of component parts, accessories, spares and fittings of all kinds of automotive, general engineering, agricultural, petrochemical miscellaneous industries in allied fields of all types and description.

To manufacture, fabricate, produce, process and to purchase, sell, import, export, or otherwise to deal in all types of automobile parts.

To manufacture, fabricate, process, buy, sell, deal in all kinds of castings & stamping, machinery parts, moulds, axles, press tools, jigs, fixtures, garage tools, agricultural implements, iron & steel products and other metallic products like die making casting, die casting, automobile and electrical parts, electronic goods, spare parts of all kinds of machinery and to undertake metal press jobs, forging jobs and all other engineering job work and/or to deal in other allied items.

To manufacture and deal in forges and forgings used in engineering products of ferrous and non-ferrous metal and to carry on the business of mechanical engineers and of manufacturers, dealers, importers, exporters, assemblers, hardware factory builders and repairers and contractors of locomotive and rolling stocks of all description of boilers, steam engines, internal combustion engines, tractors, turbines and all types of hydraulic machines, ornaments, ammunition, machine tools and machinery of other description and builders of hardware and all kind of appliances of machinery of all kinds intended to be used for foundry and treatment of metals."

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholder's Resolution	Particulars
September 26, 2005	The authorized share capital of our Company of ₹ 10,000,000.00 divided into 1,000,000 equity shares of face value ₹10 each was increased to ₹ 50,000,000.00 divided into 5,000,000 equity shares of face value ₹ 10 each.

Date of Shareholder's Resolution	Particulars
March 21, 2007	The authorized share capital of our Company of ₹ 50,000,000.00 divided into 5,000,000 equity shares of face value ₹ 10 each was increased to ₹ 200,000,000.00 divided into 20,000,000 equity shares of face value ₹ 10 each.
March 14, 2015	The authorized share capital of our Company of ₹ 200 million divided into 20,000,000 equity shares of face value ₹ 10 each was increased to ₹ 300 million divided into 30,000,000 equity shares of face value ₹ 10 each.

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
1994	Company obtained certificate for commencement of business
1995	Company started supply of fully finished and ready to assemble mechanised axle shafts to OEMs, such as Mahindra & Mahindra Limited
2002 - 2003	Started exports to USA and Europe
2004	Installed 13" Upsetter with new heat treatment shop
2007	Commissioned 66 kVA dedicated electricity supply line for Unit I
2008	Invested in forging technology for rear axle shafts with direct drive screw press supported by robots
2012	Commissioned Unit II with facility for commercial vehicle axle shafts and spindles machining
2013	Commissioned Lasco extrusion press supported by robots and electric heat treatment furnace at Unit II
	Commissioned direct drive screw press for heavy axle shaft forgings supported by robots at Unit I
2015	Commissioned 66 kVA dedicated electricity supply line for Unit II

Certifications, Awards and Recognitions

We have received the following certifications, awards and recognitions for achieving and maintaining high standards in various aspects of our business.

Year	Certification/Award
2009	Commendable Performance Award at John Deere India Supplier Meet, 2010
2009	Best CRE Performance Award in farm equipment sector by Mahindra & Mahindra Limited
2010	Best CRE Performance Award by Mahindra & Mahindra Limited
2010	Recognition of Long Association by Tractors and Farm Equipment Limited
2010	'Supplier Recognition Award' in recognition of outstanding contribution to the AAM India team
2011	Commendable Performance Award at John Deere India Supplier Meet, 2012
2012	Best Supplier on VA/VE Award by Oerlikon Drive Systems
2013	Long Association Award at Partners Meet, 2013 by Escorts Limited
2013	Preferred Commodity Supplier by Automotive Axles Limited
2015	Best Supplier Award by Tractors and Farm Equipment Limited

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, geographical presence, growth, competition, products, suppliers, customers, capacity build-up, technology, and managerial competence, please see sections entitled "Our Business" and "Our Management" on pages 114 and 138, respectively.

Our Holding Company

Our Company does not have a holding company.

Our Subsidiary

As of the date of this Draft Red Herring Prospectus, our Company has one subsidiary. For further details regarding our Subsidiary, please see the section entitled "Our Subsidiary" on page 136.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, please see the section entitled "Capital Structure" and "Financial Indebtedness" beginning on pages 58 and 217 respectively.

Injunctions or restraining order against our Company

As of the date of this Draft Red Herring Prospectus, there are no injunctions or restraining orders against our Company.

Summary of Key Agreements

Our Company has not entered into any material contracts within two years prior to the date of this Draft Red Herring Prospectus, other than in the ordinary course of business.

Financial and Strategic Partners

Our Company does not have any financial or strategic partners as of the date of filing this Draft Red herring Prospectus.

OUR SUBSIDIARY

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

GNA Axles Inc. is a subsidiary of our Company.

Details of our Subsidiary

1. GNA Axles Inc. ("GNA Inc")

Corporate Information:

GNA Inc was incorporated on June 17, 2015 under the Michigan Business Corporation Act, Act 284 of 1972 having its registered office situated at 6960 Orchard Lake Rd., Suite 2334, West Bloomfield, Michigan 48322, United States of America. GNA Inc is involved in the business of motor vehicles and motor vehicle parts and supplies.

Capital Structure:

	No. of shares of USD 1,000.00 each
Authorised capital	60,000
Issued, subscribed and paid-up capital	1

Shareholding Pattern:

The shareholding pattern of GNA Inc is as follows:

Sr. No.	Name of the shareholder	No. of shares of USD 1,000 each	Shareholding (%)
1.	GNA Axles Limited	1	100
Total		**1**	**100**

GNA Inc was incorporated after the date of the Restated Financial Statements included in this Draft Red Herring Prospectus. Accordingly, our Restated Financial Statements do not reflect the accumulated profits or losses of GNA Inc. In accordance with Clause IX(B)(23), Part A, Schedule VIII of the SEBI Regulations, the financial statements of GNA Inc are not material to the financial statements of our Company.

Other Confirmations

1. Our Subsidiary is not listed on any stock exchange in India or abroad.

2. Our Subsidiary has not made any public or rights issue in the last three years.

3. Our Subsidiary has not become a sick company under the meaning of SICA or any other applicable law and is not under winding up.

4. Except as disclosed in the section entitled "Our Promoters and Promoter Group" on page 160, our Promoters have not disassociated themselves from any companies or firms during the preceding three years.

Interest of the Subsidiary in our Company

Our Subsidiary does not have any business interest in our Company.

Material Transactions

There are no sales or purchases between our Company and our Subsidiary where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common Pursuits

Our Subsidiary conducts business similar to that conducted by our Company. Our Company has adopted necessary procedures and practices as permitted by law to address any conflicting situations as and when they arise.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of 14 Directors.

The following table sets forth details regarding our Board:

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships
Rachhpall Singh ***Father's name:*** Amar Singh ***Designation:*** Chairman and Executive Director ***Address***: Guru Nanak Auto Enterprises Limited, VPO, Bundala, Jalandhar ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** April 1, 2014 to March 31, 2017 ***DIN***: 00806002	81	Nil
Gursaran Singh ***Father's name***: Amar Singh ***Designation:*** Managing Director ***Address***: Village Kot Kalan, District Jalandhar 144 024 ***Occupation:*** Industrialist ***Nationality:*** Indian ***Term:*** April 1, 2014 to March 31, 2017 ***DIN***: 00805558	79	• GNA Duraparts Limited • Goraya Factory Owners Association • Gurunanak Transmission Punjab Limited • Lumax Industries Limited
Jasvinder Singh Seehra ***Father's Name:*** Rachhpall Singh ***Designation:*** Joint Managing Director ***Address***: GNA House, Old Phagwara Road, Kot Kalan, Jalandhar, 144 024 ***Occupation*:** Industrialist ***Nationality:*** Indian ***Term***: June 1, 2015 to March 31, 2018 ***DIN***: 01831572	57	• GNA Investment Limited • Gurunanak Transmission Punjab Limited

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships
Ranbir Singh ***Father's name:*** Gursaran Singh ***Designation****:* Executive Director and Chief Executive Officer ***Address***: GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024 ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term****:* April 1, 2013 to March 31, 2018 ***DIN***: 01572708	53	• Association of Indian Forging Industry • Capital Local Area Bank Limited • GNA Duraparts Limited • GNA Investment Limited • Gurunanak Transmission Punjab Limited
Gurdeep Singh ***Father's name:*** Gursaran Singh ***Designation****:* Non-Independent, Non-Executive Director ***Address***: GNA House, Old Phagwara Road, Kot Kalan, Jalandhar, Punjab 144 024 ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN***: 01572748	48	• Amarsons Automotives Limited • GNA Duraparts Limited • GNA Investment Limited • Gurunanak Transmission Punjab Limited
Harwinder Singh Sehra ***Father's name:*** Jasvinder Singh Seehra ***Designation****:* Executive Director ***Address***: GNA House, Old Phagwara Road, Kot Kalan, Jalandhar 144 024 ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term****:* April 1, 2011 to March 31, 2016 ***DIN***: 03522842	32	Nil
Kulwin Sehra ***Father's name:*** Ranbir Singh ***Designation****:* Executive Director ***Address***: GNA House, Old Phagwara Road,	28	• GNA Duraparts Limited

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships
VPO Kot Kalan, District Jalandhar 144 024 ***Occupation**:* Industrialist ***Nationality**:* Indian ***Term**:* April 1, 2011 to March 21, 2016 ***DIN***: 03522812		
Anish Kumar Dhingra ***Father's name**:* Jagdish Chander Dhingra ***Designation**:* Independent Director ***Address***: H. No. B-7/413, Old Nawanshahr Road, Phillaur, Jalandhar 144 410 ***Occupation**:* Retired Banker ***Nationality**:* Indian ***Term**:* June 10, 2015 to June 9, 2017 ***DIN***: 01062917	62	• Friends Castings Private Limited
Jasminder Singh Johal ***Father's name:*** Sucha Singh Johal ***Designation**:* Independent Director ***Address***: 682-L, Model Town, Jalandhar 144 001 ***Occupation**:* Practising Advocate ***Nationality**:* Indian ***Term**:* June 10, 2015 to June 9, 2017 ***DIN***: 06933082	49	Nil
Vikas Uppal ***Father's name**:* Sudershan Kumar Uppal ***Designation**:* Independent Director ***Address***: Bharti Engineering Corporation, 32 Indus Area, G.T. Road, Phagwara, P.S. City, Kapurthala district, Punjab, 144 401 ***Occupation**:* Industrialist ***Nationality**:* Indian ***Term**:* June 10, 2015 to June 9, 2017	51	• Opal Engines Private Limited

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships
DIN: 00796828		
Geeta Khanna ***Father's name:*** Satya Paul Mehra ***Designation:*** Independent Director ***Address***: House No 77/33 Green Model Town Jalandhar 144 001 ***Occupation:*** Retired Banker ***Nationality:*** Indian ***Term:*** June 10, 2015 to June 9, 2017 ***DIN***: 07206191	59	Nil
Retired Air Commodore Shailindra Singh Kaushik ***Father's name:*** Kanwar Birinder Singh ***Designation:*** Independent Director ***Address***: House No 206, Nehru Garden Road Jalandhar ***Occupation:*** Retired Air Commodore ***Nationality:*** Indian ***Term:*** June 10, 2015 to June 9, 2017 ***DIN***: 07196966	74	Nil
Dilsher Singh Bhatti ***Father's name:*** Gurdial Singh Bhatti ***Designation:*** Independent Director ***Address***: Bhatti Cold Storage, Village Alipur PO Mithapur, Jalandhar 144 022 ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** June 10, 2015 to June 9, 2017 ***DIN***: 07204555	56	Nil
Manbhupinder Singh Atwal ***Father's name:*** Barindera Singh Atwal ***Designation:*** Independent Director ***Address***: House. No 26, Mall Road Jalandhar	58	Nil

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships
Cantt 144 005 ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* June 10, 2015 to June 9, 2017 ***DIN***: 03298665		

Relationship between our Directors

Except as provided below, none of our Directors are related to each other:

1. Rachhpall Singh is the father of Jasvinder Singh Seehra;
2. Rachhpall Singh is the brother of Gursaran Singh;
3. Gursaran Singh is the father of Ranbir Singh;
4. Gursaran Singh is the father of Gurdeep Singh;
5. Jasvinder Singh Seehra is the father of Harwinder Singh Sehra; and
6. Ranbir Singh is the father of Kulwin Sehra.

Brief Biographies of Directors

Rachhpall Singh is the Chairman and an Executive Director of our Company. He has completed his matriculation from Khalsa High School, Bundala. He has over 55 years of experience in the auto component industry. Previously, he has worked with other entities forming a part of the GNA Group in the auto component industry. He has been the Chairman and an Executive Director on our Board since the inception of our Company.

Gursaran Singh is the Managing Director of our Company. He has completed his higher secondary in Faculty of Arts from Ramgharia College Phagwara. He has over 55 years of experience in the auto components industry. Previously, he has worked with other entities forming a part of the GNA Group in the auto compenent industry. He has been the Managing Director of our Company since 2007.

Jasvinder Singh Seehra is the Joint Managing Director of our Company. He has completed his matriculation from Government Senior Secondary School. He has over 35 years of experience in the auto components industry. Previously, he has worked with other entities forming a part of the GNA Group in the auto compenent industry. He has been a Director on our Board since the inception of our Company.

Ranbir Singh is an Executive Director of our Company. He holds a diploma in Mechanical Engineering from Punjab State Board of Technical Education. He has over 30 years of experience in the engineering and auto components industry. Previously, he has worked with other entities forming a part of the GNA Group in the auto compenent industry. He is currently the Chief Executive Officer of our Company. He has been a Director on our Board since inception.

Gurdeep Singh is a Non-Independent, Non-Executive Director of our Company. He has completed his higher secondary from Guru Nanak College, Phagwara. He has over 30 years of experience in the auto components industry. He has been a Director on our Board since inception.

Harwinder Singh Sehra is an Executive Director of our Company. He holds a bachelor's degree in Arts in Business Management from Sunderland University. He has over four years of experience in engineering and auto components industry. He has been a Director on our Board since April 1, 2011.

Kulwin Sehra is an Executive Director of our Company. He holds a diploma of higher education in business and management studies from the University of Bradford. He has over four years of experience in the engineering and auto component industry. He has been a Director on our Board since April 1, 2011.

Anish Kumar Dhingra is an Independent Director of our Company. He holds a bachelor's degree in Commerce from Punjab University and post graduate degree in Commerce from Punjab University. He has over 35 years of experience in the banking, finance and auto component industry. He is a director on the board of directors of Friends Castings Private Limited. He has also been a Director on our Board since September 1, 2014.

Jasminder Singh Johal is an Independent Director of our Company. He holds a bachelor's degree in law from Guru Nanak Dev University. He has over 25 years of experience in the field of law and compliance. He is a practicing advocate. He has been a Director on our Board since September 1, 2014.

Retired Air Commodore Shailindra Singh Kaushik is an Independent Director of our Company. He has completed his matriculation examination from Punjab University and holds a post graduate degree from the 31st Staff Course from Defense Services Staff College, Wellington, India. Further, he graduated from the National Defense College of the Indian Air Force. He is a retired air commodore with over 30 years of experience. He is a recipient of the AVSM medal from the President of India for his exemplary services in the Indian Air Force. He has been a Director on our Board since June 10, 2015.

Vikas Uppal is an Independent Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Bangalore University. He has over 25 years of experience in the field of engineering. He is a director on the board of directors of Opal Engines Private Limited and a partner in Bharti Engineering Corporation. He has been a Director on our Board since June 10, 2015.

Dilsher Singh Bhatti is an Independent Director of our Company. He has completed higher secondary from Sherwood School, Nainital. He has over 20 years of experience in field of agriculture. He is currently a partner in Bhatti Cold Storage and Bhatti Agri Farms. He has been a Director on our Board since June 10, 2015.

Manbhupinder Singh Atwal is an Independent Director of our Company. He holds a bachelor's degree in Science from Jawaharlal Nehru University and a bachelor's degree in Civil Engineering from the College of Military Engineering. He holds a post graduate degree in Science in Defense Studies from the University of Madras. Further, he has obtained a post graduate degree in Philosophy in Defense and Management from the School of Defense and Management Studies under Devi Ahilya Vidyalaya, Indore. He is a retired colonel. He has over 25 years of experience in the field of defence. He has been a Director on our Board since June 10, 2015.

Geeta Khanna is an Independent Director of our Company. She holds a bachelor's degree in Science from Kurukshetra University. She has over 35 years of experience in banking sector. She is a retired public sector banker. She has been a Director on our Board since June 10, 2015.

Confirmations

During the preceding five years, none of our Directors is or was a director of any listed companies, whose shares have been, or were, suspended from being traded on any recognized stock exchange, during the term of their directorship in such company.

None of our Directors is, or was, a director of any listed company which has been, or was, delisted from any recognized stock exchange.

Terms of Appointment of the Executive Directors

Gursaran Singh

Gursaran Singh was appointed as the Managing Director of our Company pursuant to a Board resolution dated April 8, 2013 and Shareholders' resolution dated August 8, 2013. He was re-appointed as the Managing Director of our Company pursuant to a Board resolution dated September 29, 2014 and Shareholders' resolution dated March 14, 2015 for a period of three years with effect from April 1, 2014. Pursuant to the Shareholders' resolution dated March 14, 2015, Gursaran Singh is entitled to a remuneration ranging from ₹ 0.25 million to ₹ 0.30 million per month. Further, Gursaran Singh is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 40% of the basic salary. If accommodation is

Particulars	Remuneration
	provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children's education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these whether individually or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Rachhpall Singh

Rachhpall Singh was appointed as the Executive Chairman of our Company pursuant to a Board resolution dated March 5, 2012 and Shareholders' resolution dated September 29, 2012. He was re-appointed as the Executive Chairman of our Company pursuant to a Board resolution dated September 29, 2014 and Shareholders' resolution dated March 14, 2015 for a period of three years with effect from April 1, 2014 in accordance with the Companies Act, 2013. Pursuant to the Shareholders' resolution dated March 14, 2015, Rachhpall Singh is entitled to a remuneration ranging from ₹ 0.25 million to ₹ 0.30 million per month. Further, Rachhpall Singh is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 40% of the basic salary. If accommodation is provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.

Particulars	Remuneration
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children's education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these whether individually or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Ranbir Singh

Ranbir Singh was appointed as the Whole-time Director of our Company pursuant to a Board resolution dated January 11, 2013 and Shareholders' resolution dated March 25, 2013 for a period of five years with effect from April 1, 2013. Pursuant to a Board resolution dated September 29, 2014 and the Shareholders' resolution dated March 14, 2015, Ranbir Singh is entitled to a remuneration ranging from ₹ 0.28 million to ₹ 0.38 million per month. Further, Ranbir Singh is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 40% of the basic salary. If accommodation is provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children's education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these wither singly or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Jasvinder Singh Seehra

Jasvinder Singh Seehra was appointed as the Joint Managing Director of our Company pursuant to Board resolution dated June 9, 2015 and Shareholder's resolution dated June 20, 2015. He was appointed as the Whole-time Director of our Company pursuant to a Board resolution dated January 11, 2013 and Shareholders' resolution dated March 25, 2013 for a period of five years with effect from April 1, 2013. Pursuant to a Board resolution dated June 9, 2015 and Shareholder's resolution dated June 20, 2015, Jasvinder Singh Seehra is entitled to a remuneration ranging from ₹ 0.38 million to ₹ 0.43 million per month. Further, Jasvinder Singh Seehra is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 40% of the basic salary. If accommodation is provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these wither singly or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Kulwin Sehra

Kulwin Sehra was appointed as the Whole-time Director of our Company pursuant to a Board resolution dated March 15, 2011 and Shareholders' resolution dated September 12, 2011 for a period of five years with effect from April 1, 2011. Pursuant to a Board resolution dated September 29, 2014 and the Shareholders' resolution dated March 14, 2015, Kulwin Sehra is entitled to a remuneration ranging from ₹ 0.10 million to ₹ 0.12 million per month. Further, Kulwin Sehra is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 35% of the basic salary. If accommodation is provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.

Particulars	Remuneration
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children's education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these whether individually or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Harwinder Singh Sehra

Harwinder Singh Sehra was appointed as the Whole-time Director of our Company pursuant to a Board resolution dated March 15, 2011 and Shareholders' resolution dated September 12, 2011 for a period of five years with effect from April 1, 2011 in accordance with the Companies Act, 2013. Pursuant to a Board resolution dated September 29, 2014 and the Shareholders' resolution dated March 14, 2015, Harwinder Singh Sehra is entitled to a remuneration ranging from ₹ 0.10 million to ₹ 0.12 million per month. Further, Harwinder Singh Sehra is entitled to perquisites and allowances as detailed below:

Particulars	Remuneration
Housing	House rent allowance amounting to 35% of the basic salary. If accommodation is provided by our Company, house rent allowance is not applicable.
Medical reimbursement	Mediclaim policy for him and his family. Reimbursement of medical expenses by our Company (including mediclaim insurance premium) on him and his family, subject to a ceiling of one month's salary in a year or two months' salary over a period of two years.
Leave travel concession	To and fro airfare, boarding, lodging expenses within India and abroad for self and family once in a year incurred in accordance with the rules of our Company
Club fees	Fees of the clubs subject to maximum held by the beneficiary prior to appointment as Executive Chairman of the Company. Admission fee, life membership fee will not be a part of the above.
Personal accident insurance	Premium not to exceed 10,000 per annum.
Leave encashment	Encashment of unutilised leaves as per the rules of our Company. Encashment of leaves at the end of tenure of services will not be a part or included in the computation of ceiling of perquisite.
Children's education allowance	In case of children studying in or outside India, actual expenses incurred on children's education will be reimbursed. Such allowance is admissible up to a maximum of two children. Such allowance will not be included in the computation of ceiling of perquisite.
Provident fund and other funds	Contribution to provident and superannuation fund or annuity fund and this will not be included in the computation on perquisites to the extent these whether individually or together are not taxable under the Income-tax Act, 1961. The said contribution will also be subject to the rules framed by our Company in this respect.
Gratuity	Gratuity payable shall not exceed half a month's salary for each completed year of service and this shall not be included in the computation of the ceiling on perquisites. This will, however, be subject to the ceiling prescribed by the Central Government from time to time.

Particulars	Remuneration
Car and telephone	Provision for car for our Company's business and telephone at residence will not be considered as perquisites.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2015 are as follows:

1. Remuneration to Executive Directors:

The aggregate value of the remuneration paid to the Executive Directors in the Fiscal 2015 is ₹ 25.40 million.

Sr. No.	Name of the director	Remuneration (In ₹ million)
1.	Rachhpall Singh	4.56
2.	Gursaran Singh	4.56
3.	Jasvinder Singh Seehra	6.38
4.	Ranbir Singh	6.38
5.	Harwinder Singh Sehra	1.76
6.	Kulwin Sehra	1.76

2. Remuneration to Non-Executive Directors:

In accordance with the resolution of the Shareholders at the EGM dated March 14, 2015, the Shareholders approved payment of sitting fee of ₹ 6,000 for attending each Board meeting and ₹ 4,000 for attending each committee meeting. The details of the sitting fee paid to the Non-executive Directors of our Company in Fiscal 2015 are set forth in the table below:

Sr. No.	Name of the Director	Sitting Fees (In ₹ million)	Commission (In ₹ million)	Total (In ₹ million)
1.	Anish Kumar Dhingra	0.03	-	0.03
2.	Jasminder Singh Johal	0.03	-	0.03

Except as stated in this section, no amount or benefit has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and Key Management Personnel.

Except as disclosed in the section entitled "Related Party Transactions" on page 169, none of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment.

No remuneration has been paid, or is payable, to the Directors of our Company by our Subsidiary.

None of the Directors is party to any bonus or profit sharing plan of our Company.

Arrangement or understanding with major shareholders, customers, suppliers or others

None of our Directors have been appointed pursuant to any arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board.

Shareholding of Directors in our Company

For details in relation to the shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus, please see the section entitled "Capital Structure – Details of the Equity Shares held by our Directors" on page 65.

Our Articles of Association do not require our Directors to hold any qualification shares.

Shareholding of Directors in our Subsidiary

None of our Directors hold any shares in our Subsidiary as of the date of this Draft Red Herring Prospectus.

Appointment of relatives of Directors to any office or place of profit

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

All our Non-Executive Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and Committees thereof, and reimbursement of expenses payable to them under our Articles of Association and all Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association.

Our Directors may also be regarded as interested in the Equity Shares held by them or that may be subscribed by or Allotted to them under the Employee Reservation Portion or that may be subscribed or Allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to the Issue. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares held by them

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors. Our Company has not entered into any service contracts with our Directors which provide for benefits upon termination of employment of our Directors.

Except for Jasvinder Singh Seehra, Ranbir Singh and Gurdeep Singh, who are the Promoters of our Company, none of our Directors have interest in the promotion of our Company other than in the ordinary course of business.

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years, or is intended to be paid or given to any of our Directors, other than the normal remuneration for services rendered as Directors:

1. Consideration of ₹ 50,505,050 pursuant to the Sale Deed dated April 13, 2015 entered into between our Company and Rachhpall Singh, our Company has purchased a 50% undivided share of property held by Rachhpall Singh situated at No. 41, Block ‘M’, Greater Kailash Part-I, New Delhi, Yaqutpur, Delhi. The remaining 50% undivided share of property is owned by Gursaran Singh, brother of Rachhpall Singh.

Except as stated in the section entitled “Related Party Transactions” on page 169 and described herein to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

No loans have been availed by our Directors or the Key Management Personnel from our Company.

Changes in the Board in the last three years

Name	**Date of Appointment/ Change/ Cessation**	**Reason**
Maninder Singh	January 11, 2013	Resigned as Director due to pre-occupation
Ranbir Singh	April 1, 2013	Appointed as an Executive Director
Jasvinder Singh Seehra	April 1, 2013	Re-appointed as an Executive Director
Gursaran Singh	April 1, 2014	Re-appointed as Managing Director
Rachhpall Singh	April 1, 2014	Re-appointed as Executive Chairman
Jasminder Singh Johal	September 1, 2014	Appointed as Additional Director

Name	Date of Appointment/ Change/ Cessation	Reason
Anish Kumar Dhingra	September 1, 2014	Appointed as Additional Director
Jasvinder Singh Seehra	June 1, 2015	Appointed as Joint Managing Director
Anish Kumar Dhingra	June 10, 2015	Appointed as Independent Director
Jasminder Singh Johal	June 10, 2015	Appointed as Independent Director
Vikas Uppal	June 10, 2015	Appointed as Independent Director
Geeta Khanna	June 10, 2015	Appointed as Independent Director
Retired Air Commodore Shailindra Singh Kaushik	June 10, 2015	Appointed as Independent Director
Dilsher Singh Bhatti	June 10, 2015	Appointed as Independent Director
Manbhupinder Singh Atwal	June 10, 2015	Appointed as Independent Director

Borrowing Powers of Board

Our Company has, pursuant to an AGM held on July 21, 2014 resolved that pursuant to provisions of the Companies Act, 2013 consent has been accorded to the creation by the Board of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding ₹ 5,000 million together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the lenders under the respective agreements/loan agreements/debenture trust deeds entered into or to be entered into by the Company in respect of the said borrowings.

Corporate Governance

The provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement with the Stock Exchanges, the Companies Act, 2013 and the SEBI 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, 2013 and Equity Listing Agreement with Stock Exchanges. The Board functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has 14 Directors. In compliance with the requirements of Clause 49 of the Equity Listing Agreement, our Managing Director is a Promoter Executive Director and we have five Executive Directors, eight Non-Executive Directors including seven Independent Directors, on our Board. Further, in compliance with the Equity Listing Agreement, we have a woman director on our Board.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Retired Air Commodore Shailindra Singh Kaushik (Chairman);

2. Jasminder Singh Johal; and

3. Ranbir Singh.

The Audit Committee was constituted by a meeting of our Board held on March 21, 2007 and reconstituted on April 8, 2013 and September 29, 2014. Our Audit Committee met three times during the preceding Fiscal. The Audit Committee was reconstituted and the terms of reference were modified pursuant to the Board resolution dated June 9, 2015. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and its terms of reference include the following:

a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;

c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

d) Approving payments to statutory auditors for any other services rendered by the 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 included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

    ii) Changes, if any, in accounting policies and practices and reasons for the same;

    iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    iv) Significant adjustments made in the financial statements arising out of audit findings;

    v) Compliance with listing and other legal requirements relating to financial statements;

    vi) Disclosure of any related party transactions;

    vii) Qualifications in the draft audit report.

f) Reviewing and examination, with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;

g) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed

h) Scrutiny of inter-corporate loans and investments;

i) Valuation of undertakings or assets of the company, wherever it is necessary;

j) Evaluation of internal financial controls and risk management systems;

k) Approval or any subsequent modification of transactions of our Company with related parties;

l) 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;

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 about 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 (*i.e.*, the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;

t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing; and

u) Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

The powers of the Audit Committee include the following:

a) To investigate activity within its terms of reference;

b) To seek information from any employees;

c) To obtain outside legal or other professional advice; and

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a) Management discussion and analysis of financial condition and result of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/ letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Vikas Uppal (Chairman);

2. Jasminder Singh Johal; and

3. Gurdeep Singh.

The Nomination and Remuneration Committee was constituted by our Board on September 29, 2014. The Nomination and Remuneration Committee was reconstituted and the terms of reference were modified pursuant to the Board resolution dated June 9, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of the Nomination and Remuneration Committee include the following:

a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulating of criteria for evaluation of the independent directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

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) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

i) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

   (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

   (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

k) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Geeta Khanna (Chairman);

2. Dilsher Singh Bhatti; and

3. Jasvinder Singh Seehra.

The Stakeholders' Relationship Committee was constituted by our Board on June 9, 2015. This committee is responsible for the redressal of shareholder grievances. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the

Listing Agreement.

The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

a) Redressal of shareholders'/investors' grievances;

b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

c) Issue of duplicate certificates and new certificates on split/consolidation/renewal;

d) Non-receipt of declared dividends, balance sheets of our Company or any other documents or information to be sent by our Company to its shareholders; and

e) Carrying out any other function as prescribed under the Equity Listing Agreement.

Corporate Social Responsibility Committee:

The members of the Corporate Social Responsibility Committee are:

1. Anish Kumar Dhingra (Chairman);

2. Retired Air Commodore Shailindra Singh Kaushik; and

3. Ranbir Singh.

The Corporate Social Responsibility Committee was constituted by our Board on September 29, 2014 and was reconstituted on June 9, 2015. The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013.

The terms and reference of the Corporate Social Responsibility Committee include the following:

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act, 2013.

b) Review and recommend the amount of expenditure to be incurred on activities to be undertaken by our Company.

c) Recommend the amount of expenditure to be incurred on activities referred in the Corporate Social Responsibility Policy.

d) Monitor the Corporate Social Responsibility Policy of our Company and its implementation from time to time.

Risk Management Committee

The members of the Risk Management Committee are:

1. Ranbir Singh;

2. Jasminder Singh Johal; and

3. Anish Kumar Dhingra.

The Risk Management Committee was constituted by our Board on June 9, 2015.

The terms and reference of the Risk Management Committee include the following:

a) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;

b) Framing, implementing, reviewing and monitoring the risk management plan for the Company; and

c) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee

IPO Committee

The members of the IPO Committee are:

1. Ranbir Singh;

2. Jasvinder Singh Seehra; and

3. Manbhupinder Singh Atwal.

The IPO Committee was constituted by our Board on June 9, 2015.

The terms and reference of the IPO Committee include the following:

(a) To decide on the size, timing, pricing and all the terms and conditions of the issue of the Equity Shares for the Issue, including the number of the Equity Shares to be issued in the Issue, price and any discount as allowed under Applicable Laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;

(b) To appoint and enter into arrangements with the book running lead managers for the Issue, underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrar(s), legal advisors, advertising agency(ies) and any other agencies or persons or intermediaries to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the mandate letter with the book running lead managers, negotiation, finalisation and execution of the issue agreement with the book running lead managers, etc.;

(c) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), book running lead managers and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;

(d) To finalise, settle, approve and adopt the DRHP, the RHP, the Prospectus, the preliminary and final international wrap for the issue of Equity Shares and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/ modifications as may be required by the Securities and Exchange Board of India ("**SEBI**"), relevant Registrar of Companies ("**RoC**"), or any other relevant governmental and statutory authorities;

(e) To make applications, if necessary, to the Reserve Bank of India, or to any other statutory or governmental authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the Prospectus;

(f) To approve any corporate governance requirements that may be considered necessary by the Board or the IPO Committee or as may be required under the Applicable Laws or the listing agreement to be entered into by the Company with the relevant stock exchanges;

(g) To seek, if required, the consent of the lenders to the Company, concessioning authorities, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in relation to the Issue;

(h) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(i) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(j) To determine and finalise the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), the floor price/price band for the Issue (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;

(k) To issue receipts/allotment letters/confirmations 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 in accordance with market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(l) To make applications for listing of the shares in one or more recognised stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

(m) To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

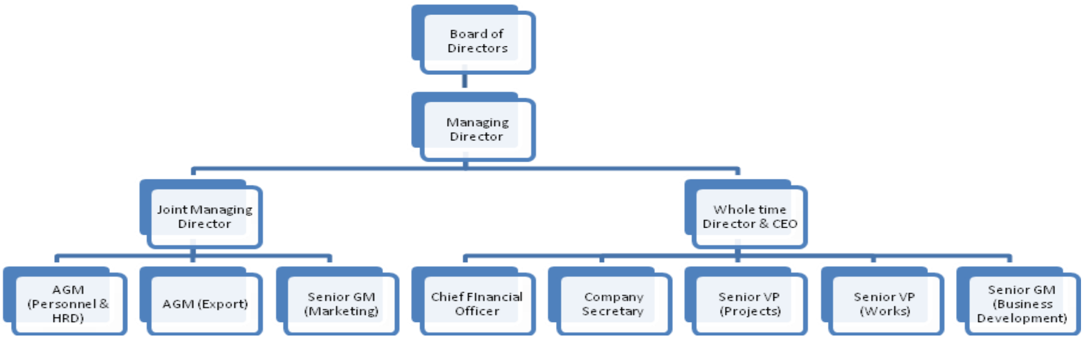
(n) To authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

(o) To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

(p) To settle any question, difficulty or doubt that may arise in connection with the Issue including the issue and allotment of the Equity Shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the IPO Committee may in its absolute discretion deem fit; and

(q) To execute and deliver any and all other documents or instruments and doing or causing 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 the foregoing or in connection with the Issue 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

Brief Biographies of Key Management Personnel

In addition to Gursaran Singh, our Managing Director, Jasvinder Singh Seehra, our Joint Managing Director, Ranbir Singh, an Executive Director and the Chief Executive Officer, Kamlesh Kumar Sharma, Satwinder Singh, Surinder Singh, Pradeep Sharma, Rakesh Kumar, Gurdeep Singh Cheema, Manjit Singh Rihal and Gourav Jain are the key management personnel of our Company. For details of our Managing Director, Joint Managing Director, and Executive Director and Chief Executive Officer, please see the section entitled "– Brief Biographies of Directors" on page 142 and the brief biographies of the other key management personnel are set out below.

Kamlesh Kumar Sharma, 65 years, is the Senior Vice President (Works) of our Company. He holds a bachelor's degree in science from Punjab University, Chandigarh. He has over 35 years of experience in the engineering industry. Previously, he used to work at Guru Nanak Auto Enterprises Limited. He was appointed as the General Manager (Works) on December 1, 2000. During Fiscal 2015, he received remuneration amounting to ₹ 1.09 million.

Satwinder Singh, 59 years, is the Senior Vice President (Projects) of our Company. He holds a diploma in Mechanical Engineering from Guru Nanak Engineering College Ludhiana. He has over 35 years of experience in the engineering industry. Previously, he used to work at GNA Udyog Limited. He was appointed as the General Manager (Operations) on March 1, 2005. During Fiscal 2015, he received remuneration amounting to ₹ 1.06 million.

Surinder Singh, 58 years, is the Senior General Manager (Engineering & Business Development) of our Company. He holds a diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra State. He has over 35 years of experience in the auto component industry. Previously, he used to work at Guru Nanak Auto Enterprises Limited. He was appointed on as the Assistant Manager (Engineering & Tool Room) on May 16, 1994. During Fiscal 2015, he received remuneration amounting to ₹ 0.85 million.

Pradeep Sharma, 52 years, is the Senior General Manager (Marketing) of our Company. He holds a bachelor's degree in Commerce from Guru Nanak Dev University, Chandigarh. He has over 30 years of experience in engineering. Previously, he used to work at Guru Nanak Auto Enterprises Limited. He was appointed on May 16, 1994. During Fiscal 2015, he received remuneration amounting to ₹ 0.82 million.

Rakesh Kumar, 47 years, is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce from SD College, Hoshiarpur and is a Chartered Accountant from ICAI. He has over 20 years of experience in the field of accounts and finance. Previously, he used to work at GNA Duraparts Limited. He was appointed as Manager Finance on May 6, 2006. During Fiscal 2015, he received remuneration amounting to ₹ 0.71 million.

Gurdeep Singh Cheema, 48 years, is the Assistant General Manager (Personnel & HRD) of our Company. He holds a bachelor's degree in Law from Punjabi University, Patiala and a bachelor's degree in Science from Lyallpur Khalsa College, Jalandhar. He has over 20 years of experience in the textile and engineering industry. Previously, he used to work at Guru Nanak Auto Enterprises Limited. He was appointed as Personnel Officer on May 16, 1994. During Fiscal 2015, he received remuneration amounting to ₹ 0.64 million.

Manjit Singh Rihal, 37 years, is the Assistant General Manager (Exports) of our Company. He has obtained his bachelor's degree in Commerce from DAV College Jalandhar. He has over 10 years of experience in engineering industry. Previously, he used to work at Genpact. He was appointed as Manager Exports on November 1, 2006. During Fiscal 2015, he received remuneration amounting to ₹ 0.68 million.

Gourav Jain, 33 years, is the Company Secretary of our Company. He has obtained his bachelor's degree in Commerce from DAV College, Jalandhar. He is an Associate Member of the Institute of Company Secretaries of India. He has nine years of experience in the field of law and compliance. Previously, he used to work at Vardhman Textiles Limited. He was appointed as Officer, Company Law on November 23, 2007. On August 1, 2010, he was appointed as the Company Secretary of our Company. During Fiscal 2015, he received remuneration amounting to ₹ 0.37 Million.

Except as disclosed below, none of our Key Management Personnel are related to each other:

1. Gursaran Singh is the father of Ranbir Singh.

All our Key Management Personnel are the permanent employees of our Company.

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our key management personnel were selected as members of our senior management.

Shareholding of Key Management Personnel

Except as disclosed below, none of our Key Management Personnel hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus:

S. No.	Name	No. of Equity Shares
1.	Gursaran Singh	1,365,400
2.	Ranbir Singh	2,630,400
3.	Jasvinder Singh Seehra	2,630,400

Bonus or profit sharing plan of the key management personnel

Our Company does not have any bonus or profit sharing plan for the Key Management Personnel, including the Managing Director.

Interests of Key Management Personnel

Except as disclosed in section entitled "Management - Shareholding of Key Management Personnel" on page 158, the Key Management Personnel of our Company 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, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. The Key Management Personnel may be regarded as interested in the Equity Shares that may be subscribed by or Allotted to them under the Employee Reservation Portion. All the Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Changes in our Key Management Personnel

In additions to the changes in respect of Gursaran Singh, Jasvinder Singh Seehra, and Ranbir Singh as disclosed in the section entitled "– Changes in the Board in the last three years" on page 149, the changes in our Key Management Personnel in the last three years are as follows:

Name	Date of change	Reason for change
Rakesh Kumar	June 20, 2014	Appointed as Chief Financial Officer

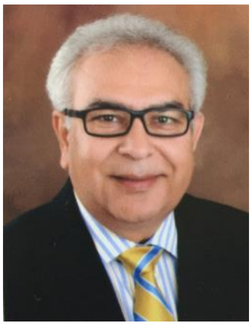
Payment or Benefit to officers of our Company

No amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any officer and consideration for payment of giving of the benefit.

Our Company has not granted any options to the employees of our Company. For details, please see the section entitled "Capital Structure" on page 58.

OUR PROMOTERS AND PROMOTER GROUP

Jasvinder Singh Seehra, Ranbir Singh and Gurdeep Singh are the Promoters of our Company.



Jasvinder Singh Seehra

Jasvinder Singh Seehra, aged 57 years, is the Joint Managing Director of our Company. He is a resident Indian national. For further details, please see the section entitled "Our Management" on page 138.

The driving license number of Jasvinder Singh Seehra is PB0820090250879 and his voter identification number is YUN1015494.

Ranbir Singh

Ranbir Singh, aged 53 years, is the Executive Director and Chief Executive Officer of our Company. He is a resident Indian national. For further details, please see the section entitled "Our Management" on page 138.

The driving license number of Ranbir Singh is PB0820090080780 and his voter identification number is YUN1015601.

Gurdeep Singh

Gurdeep Singh, aged 48 years, is the Non-Independent, Non-Executive Director of our Company. He is a resident Indian national. For further details, please see the section entitled "Our Management" on page 138.

The driving license number of Gurdeep Singh is PB0820110193298 and his voter identification number is YUN1915569.

Our Company confirms that the permanent account number, bank account numbers and passport number of our Promoters will be submitted to the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus to them.

Ranbir Singh and Gurdeep Singh, our Promoters, are trustees of Sardar Amar Singh Educational Charitable Trust, a public charitable trust providing educational facilities.

Interests of Promoters

Our Promoters are interested in our Company to the extent of their respective shareholding, the dividends received by them pursuant to such shareholding and the remuneration received by them from our Company. For details of the shareholding of our Promoters in our Company, please see the sections entitled "Capital Structure" and "Our Management" on pages 58 and 138, respectively.

Jasvinder Singh Seehra and Ranbir Singh are Executive Directors of our Company and may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them. For further details, please see the section entitled "Our Management" on page 138.

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years, or is intended to be paid or given to any of our Directors, other than the normal remuneration for services rendered as

Directors:

1. Consideration of ₹ 50,505,050 pursuant to the Sale Deed dated April 13, 2015 entered into between our Company and Rachhpall Singh our Company has purchased a 50% undivided share of property held by Rachhpall Singh situated at: No. 41, Block 'M', Greater Kailash Part-I, New Delhi, Yaqutpur, Delhi. The remaining 50% undivided share of property is owned by Gursaran Singh, brother of Rachhpall Singh.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the two years preceding the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them. For further details of related party transactions of our Company, as per Accounting Standard 18, please see the section entitled "Related Party Transactions" on page 169.

Other than our Group Companies, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as disclosed below, our Promoters have no interest in the acquisition of land, the construction of buildings and the supply of machinery undertaken by our Company:

1. Consideration of ₹ 50,505,050 pursuant to the Sale Deed dated April 13, 2015 entered into between our Company and Rachhpall Singh our Company has purchased a 50% undivided share of property held by Rachhpall Singh situated at: No. 41, Block 'M', Greater Kailash Part-I, New Delhi, Yaqutpur, Delhi. The remaining 50% undivided share of property is owned by Gursaran Singh, brother of Rachhpall Singh.

For details of related party transactions entered into by our Company, as per Accounting Standard 18, during the last five Fiscals, the nature of transactions and the cumulative value of transactions, please see the section entitled "Related Party Transactions" on page 169.

Our Promoters are not related to any sundry debtors of our Company.

Payment or Benefits to Promoters

Except as stated in the section entitled "Related Party Transactions" detailing the related party transactions entered into during the last five Fiscals as per Accounting Standard 18 and in the section entitled "- Interests of Promoters" on pages 169 and 160, respectively, there has been no payment or benefit to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and our Group Companies have not been declared as wilful defaulters by the RBI or any other government authority. Further, there have been no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and Promoter Group entities have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed below, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company:

Our Company's logo is the intellectual property of our Group Company, GNA Sons. For further details please see section entitled "Business – Intellectual Property" on page 126.

Companies with which our Promoters have disassociated in the last three years

Except as provided below, our Promoters have not disassociated themselves from any of the companies during the preceding three years:

Sr. No.	Name of the disassociated entity	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
1.	GNA Udyog Limited	Ranbir Singh and Gurdeep Singh disassociated from GNA Udyog Limited as GNA Udyog Limited was being run by Jasvinder Singh Seehra and his immediate relatives since its inception.	January 11, 2013
2.	GNA Duraparts Limited	Jasvinder Singh Seehra disassociated from GNA Duraparts limited as it was being run and managed by Gurdeep Singh and his immediate relatives since its inception.	April 1, 2013

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Guarantees

Except as stated in the section entitled "Financial Indebtedness" on page 217, our Promoters have not given any guarantee to any third party as of the date of this Draft Red Herring Prospectus.

Promoter Group

In addition to our Promoters named above, the following individuals and entities form a part of the Promoter Group:

1. Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our Promoters), other than our Promoters, are as follows:

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Jasvinder Singh Seehra	Rachhpall Singh	Father
	Harjinder Kaur	Mother
	Maninder Singh	Brother
	Parminderjit Kaur	Sister
	Amarjit Kaur	Spouse
	Harwinder Singh Sehra	Son
	Rupinder Singh	Son
	Mohinder Singh	Father of spouse
	Balwinder Singh Virdi	Brother of spouse
	Surinder Kaur	Sister of spouse
	Rachhpall Bansal	Sister of spouse
Ranbir Singh	Gursaran Singh	Father
	Mohinder Kaur	Mother
	Gurdeep Singh	Brother
	Harkesh Kaur	Sister
	Loveleen Kaur	Spouse
	Kulwin Sehra	Son
	Ashmeet Seehra	Daughter
	Harbans Singh	Father of spouse
	Surinder Kaur	Mother of spouse
	Jasleen Kaur	Sister of spouse

Name of the Promoter	Name of the Relative	Relationship with the Promoter
Gurdeep Singh	Gursaran Singh	Father
	Mohinder Kaur	Mother
	Ranbir Singh	Brother
	Harkesh Kaur	Sister
	Jasleen Kaur	Spouse
	Keerat Singh Sehra	Son
	Simran Sehra	Daughter
	Harbans Singh	Father of spouse
	Surinder Kaur	Mother of spouse
	Loveleen Kaur	Sister of spouse

2. Corporate entities forming part of the Promoter Group

a. GNA Duraparts Limited;

b. GNA Udyog Limited;

c. GNA Investments Limited;

d. Amarsons Automotives Limited;

e. Gurunanak Transmission Punjab Limited;

f. M/s GNA Sons;

g. M/s GNA Consultancy;

h. M/s Seehra Overseas; and

i. M/s GNA Autotech.

Group Companies

For details of our Group Companies, please see the section entitled "Our Group Companies" on page 164.

OUR GROUP COMPANIES

The companies which constitute part of the related parties of our Company under Accounting Standard 18 as per the Restated Financial Statements (except such companies that are consolidated in accordance with Accounting Standard 21) have been considered as Group Companies and, there are no other companies which have any material relationship which are considered to be Group Companies. The following are our Group Companies:

1. GNA Duraparts Limited;
2. GNA Udyog Limited;
3. GNA Investments Limited;
4. Amarsons Automotives Limited; and
5. Gurunanak Transmission Punjab Limited.

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

A. Top five Group Companies (based on turnover)

The details of our top five Group Companies (based on turnover) are provided below:

1. GNA Duraparts Limited ("GNADL")

Corporate Information

GNADL was incorporated on March 21, 1980 under the Companies Act, 1956 having its registered office at GNA House, 1-C, Chhoti Baradari – Part II, Garha Road, Jalandhar 144 001 under the name of M/s Narankar Auto Engineering Works Private Limited. The name of GNADL was changed to GNA Duraparts Private Limited on March 21, 1989. The Company was later converted to a public limited company and a fresh certificate of incorporation was issued consequent upon the name change on May 7, 2010. GNADL is involved in the business of manufacturing auto components.

Interest of our Promoters

Ranbir Singh, our Promoter, holds 917,517 equity shares constituting 37.91% of the issued and paid up equity share capital of GNADL. Gurdeep Singh, our Promoter, holds 918,837 equity shares constituting 37.97% of the issued and paid up equity share capital of GNADL.

Financial Information

The operating results of GNADL for the last three Fiscals are as follows:

(in ₹ millions , except per share data)

Particulars	**For the Fiscals**		
	2015	**2014**	**2013**
Equity Capital	242.01	242.01	242.01
Reserves (excluding revaluation reserves) and Surplus	339.50	307.37	258.54
Revenue from Operations & Other Income	2094.89	2,088.30	1,971.52
Profit / (Loss) after Tax	32.12	49.75	43.02
Basic EPS (in ₹)	13.27	20.56	17.78
Diluted EPS (in ₹)	13.27	20.56	17.78
Net asset value per share (in ₹)	240.28	227.00	206.83

2. **GNA Udyog Limited ("GNAUL")**

Corporate Information

GNAUL was incorporated on August 3, 1990 under the Companies Act, 1956 having its registered office at 297, Adarsh Nagar, Jalandhar under the name of GNA Udyog Private Limited. GNAUL was later converted into a public limited company and a fresh certificate was issued consequent upon the name change on March 13, 1991. GNAUL is involved in the business manufacturing auto components.

Interest of our Promoters

Jasvinder Singh Seehra, our Promoter, holds 3,364,992 equity shares constituting 35.27% of the issued and paid up equity share capital of GNAUL.

Financial Information

The operating results of GNAUL for the last three Fiscals are as follows:

(in ₹ millions, except per share data)

Particulars	**For the Fiscals**		
	2015	**2014**	**2013**
Equity Capital	95.40	95.40	95.40
Reserves (excluding revaluation reserves) and Surplus	80.80	108.39	117.34
Revenue from Operations & Other Income	425.40	509.44	985.09
Profit / (Loss) after Tax	(27.50)	(8.95)	6.44
Basic EPS (in ₹)	(2.88)	(0.94)	0.68
Diluted EPS (in ₹)	(2.88)	(0.94)	0.68
Net asset value per share (in ₹)	18.46	21.36	22.30

3. **GNA Investments Limited ("GNAIL")**

Corporate Information

GNAIL was incorporated on June 2, 2009 under the Companies Act, 1956 having its registered office at GNA House, 1-C, Chhoti Baradari – Part II, Garha Road, Jalandhar 144 001. GNAIL is involved in the business of investment.

Interest of our Promoters

Jasvinder Singh Seehra, our Promoter, holds 260,000 equity shares constituting 23.64% of the issued and paid up equity share capital of GNAIL. Ranbir Singh, our Promoter, holds 260,000 equity shares constituting 23.64% of the issued and paid up equity share capital of GNAIL. Gurdeep Singh, our Promoter, holds 260,000 equity shares constituting 23.64% of the issued and paid up equity share capital of GNAIL.

Financial Information

The operating results of GNAIL for the last three Fiscals are as follows:

(in ₹ millions, except per share data)

Particulars	**For the Fiscals**		
	2015	**2014**	**2013**
Equity Capital	11.00	11.00	11.00
Reserves (excluding revaluation reserves) and Surplus	2.62	1.67	0.79
Revenue from Operations & Other Income	1.45	1.33	1.20
Profit / (Loss) after Tax	0.96	0.90	0.80
Basic EPS (in ₹)	0.87	0.80	0.73

Particulars	For the Fiscals		
	2015	2014	2013
Diluted EPS (in ₹)	0.87	0.80	0.73
Net asset value per share (in ₹)	12.04	11.51	10.71

4. **Amarsons Automotives Limited ("AAL")**

Corporate Information

AAL was incorporated on August 13, 1984 under the Companies Act, 1956 having its registered office at GNA House, 1-C, Chhoti Baradari – Part II, Garha Road, Jalandhar. AAL is involved in the business of manufacturing auto components.

Interest of our Promoters

Jasvinder Singh Seehra, our Promoter, holds 1,265 equity shares constituting 2.37% of the issued and paid up equity share capital of AAL. Ranbir Singh, our Promoter, holds 2,250 equity shares constituting 4.22% of the issued and paid up equity share capital of AAL. Gurdeep Singh, our Promoter, holds 15,330 equity shares constituting 28.76% of the issued and paid up equity share capital of AAL.

Financial Information

The operating results of AAL for the last three Fiscals are as follows:

(in ₹ millions, except per share data)

Particulars	For the Fiscals		
	2015	2014	2013
Equity Capital	0.53	0.53	0.53
Reserves (excluding revaluation reserves) and Surplus	0.93	0.93	0.93
Revenue from Operations & Other Income	0.02	0.02	0.01
Profit / (Loss) after Tax	(Negligible)	(Negligible)	-
Basic EPS (in ₹)	(0.01)	(0.01)	(0.01)
Diluted EPS (in ₹)	(0.01)	(0.01)	(0.01)
Net asset value per share (in ₹)	27.51	27.52	27.53

5. **Guru Nanak Transmission Punjab Limited ("GTPL")**

Corporate Information

GTPL was incorporated on January 5, 1983 under the Companies Act, 1956 having its registered office at GNA House, 1-C, Chhoti Baradari – Part II, Garha Road, Jalandhar. GTPL is involved in the business of manufacturing auto components.

Interest of our Promoters

Jasvinder Singh Seehra, our Promoter, holds 1,001 equity shares constituting 2.00% of the issued and paid up equity share capital of GTPL. Ranbir Singh, our Promoter, holds 1,001 equity shares constituting 2.00% of the issued and paid up equity share capital of GTPL.

Financial Information

The operating results of GTPL for the last three Fiscals are as follows:

(in ₹ millions, except per share data)

Particulars	For the Fiscals		
	2015	2014	2013
Equity Capital	0.50	0.50	0.50
Reserves (excluding revaluation reserves)	0.39	(0.38)	(0.372)

Particulars	For the Fiscals		
	2015	2014	2013
and Surplus			
Revenue from Operations & Other Income	-	-	-
Profit / (Loss) after Tax	-	-	-
Basic EPS (in ₹)	(0.16)	(0.18)	(0.20)
Diluted EPS (in ₹)	(0.16)	(0.18)	(0.20)
Net asset value per share (in ₹)	2.21	2.38	2.56

Nature and Extent of Interest of Group Companies

(i) ***In the promotion of our Company***

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company.

(ii) ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

(iii) ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits among the Group Companies and Associate Companies with our Company

There are no common pursuits between any of our Group Companies, our Associates and our Company.

Related Business Transactions within the Group Companies and significance on the financial performance of our Company

For more information, please see the section entitled "Related Party Transactions" on page 169.

Sales or Purchases between Group Companies

None of our Group Companies are involved in any sales or purchases with our Company where such sales or purchases exceed an aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Companies

We have entered into certain business contracts with our Group Companies. For details, please see the section entitled "Related Party Transactions" on page 169.

Other than as stated above, none of our Group Companies have any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the Registrar of Companies for striking off the name of any of our Group Companies during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI.

Further, none of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

Loss making Group Companies:

The following tables set forth the details of our Group Companies which have incurred loss in the last Fiscal and any profit/(loss) made by them in the last three Fiscals, on the basis of latest audited financial statements available:

Sr. No.	Name of the entity	Profit/(Loss) (Amount in ₹ million)		
		For the Fiscal		
		2015	2014	2013
3.	GNA Udyog Limited	(27.50)	(8.95)	6.44
4.	Amarsons Automotives Limited	(Neglible)	(Neglible)	-

None of the securities of our Group Companies are listed on any stock exchange and none of our Group Companies have made any public or rights issue of securities in the preceding three years.

None of the Group Companies have been prohibited from accessing the capital market for any reasons by the SEBI or any other authorities.

None of the Group Companies have been identified as wilful defaulters by the RBI or other authorities.

RELATED PARTY TRANSACTIONS

For details of related party transactions during the last five Fiscals, as per the requirements under Accounting Standard 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India, please see the section entitled “Financial Statements – Annexure: XXI” on page 203.

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, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions and overall financial position of our Company.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section entitled "Financial Indebtedness" on page 217.

Our Company has no formal dividend policy. The declaration and payment of dividend will be recommended by our Board and approved by the Shareholders, at their discretion. The Shareholders have the right to decrease but not to increase the amount of dividend recommended by the Board. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous Fiscals or out of both. The Articles of Association also provides discretion to our Board to declare and pay interim dividends.

We have not declared any dividends in any of the Fiscals preceding the filing of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report of auditors on the Restated Statements of Assets and Liabilities as at March 31, 2015, 2014, 2013, 2012 and 2011 and Restated Statement of Profits and Losses and Restated Statement of Cash Flows for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 of **GNA Axles Limited** (collectively, the "Restated Financial Statements")

The Board of Directors
GNA Axles Limited
Phagwara Hoshiarpur Road,
Mehtiana

Dear Sirs,

1. We have examined the Restated Financial Statements of GNA Axles Limited (the "Company") as at March 31, 2015, 2014, 2013, 2012 and 2011, annexed to this report for the purpose of inclusion in the offer document ("Restated Financial Information") prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). Such Restated Financial Information, which have been approved by the Board of Directors, has been prepared by the Company in accordance with the requirements of:

   i. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of Companies Act 2013 (the "Act") read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and

   ii. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992.

2. We have examined such Restated Financial Information taking into consideration:

   i. the terms of our engagement agreed with you vide our engagement letter dated 10.06.2015, requesting us to carry out work on such restated financial information, proposed to be included in the offer document of the Company in connection with the Company's proposed IPO; and

   ii. the Guidance Note on "Reports in Company Prospectuses (Revised)" issued by the Institute of Chartered Accountants of India (ICAI),to the extent applicable.

3. The Restated Financial Information has been compiled by the management from-

   i. the audited financial statements of the Company, as at and for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors

   ii. Books of accounts and other records of the Company and related information, in relation to the years ended March 31, 2015, 2014, 2013, 2012 & 2011 to the extent considered necessary, for the presentation of the Restated Financial Information under the requirements of the Schedule III of the Companies Act, 2013 and /or Revised Schedule VI of the Companies Act, 1956, as the case may be.

4. We have issued auditor's report(s) dated 18.05.2015, 20.06.2014, 15.07.2013, 27.08.2012 and 03.08.2011 on the financial statements of the Company as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 and notes thereto.

5. In accordance with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that,

read with paragraph 4 and 5 above, we have examined the Restated Financial Information as at end and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 as set out in Annexure I to III.

6. Based on our examination and the audited financial statements of the Company for each of the years ended March 31, 2015, 2014, 2013, 2012 and 2011, we report that:

i. The Restated Financial Information have been prepared after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;

ii. There are no changes in accounting policies in the financial statements as at and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011.

iii. Adjustments for the material amounts in the respective financial years/period to which they relate have been adjusted in the Restated Financial Information;

iv. There are no extraordinary items which need to be disclosed separately in the Restated Financial Information;

v. There are no qualifications in the auditors' reports on the Financial Statements of the Company as at and for the year ended 31, 2015, 2014, 2013, 2012 & 2011, which require any adjustments to the Restated Financial Information; and

A. For the year ended March, 31, 2015

According to the records of the Company and information given by management, the dues outstanding of income-tax, sales–tax, service tax, excise duty and cess on account of any dispute, are as follows:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Punjab Sales Tax Act	Demand P-VAT	5467036/-	2009-2010	DETC
Punjab Sales Tax Act	Demand P-VAT	13906308/-	2008-2009	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT (Crane)	180000/-	2004-2005	DETC Appeals
Excise & Service Tax Act	Service Tax outward freight	523288/-	2008-2009	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax outward freight	215324/-	2009-10	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax outward freight	912302/-	2010-2011	Before Commissioner Appeal
Excise & Service tax act	Cenvat credit on tractor parts	250216/-	2010-11	Before commissioner appeal
Excise & service tax act	Service tax on others	233605/-	2010-11	Before commissioner appeal
Excise & Service Tax Act	Service Tax on others	12261/-	2012-13	Before Commissioner Appeal
Excise & Service Tax	Service Tax on others	477159/-	2010-11	Before Commissioner

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Act				Appeal
Excise & Service Tax Act	Service Tax on others	567775/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	43494/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	446637/-	2013-14	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others/Guest House	629322/-	2014-15	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on Club Membership/Misc.	322847/-	2013-14	Asstt. Commissioner SE
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	1425378/-	2011-12	Income Tax Tribunal

B. For the year ended March, 31, 2014

According to the records of the Company and information given by management, the dues outstanding of income-tax, sales–tax, service tax, excise duty and cess on account of any dispute, are as follows:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Punjab Sales Tax Act	Demand P-VAT (Crane)	180000/-	2004-05	DETC (Appeals),
Punjab Sales Tax Act	Demand P-VAT	13906308/-	2004-05	VAT Tribunal
Punjab Sales Tax Act	Demand P-VAT	5467036/-	2009-10	DETC, Jalandhar
Excise & Service Tax Act	Service Tax outward freight	523288/-	2008-09	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax outward freight	215324/-	2009-10	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on outward freight	912302/-	04/2010 to 09/2010	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	7402034	04/2006 to 09/2010	Before Commissioner Appeal
Excise & Service Tax Act	CENVAT credit on Tractor Parts	250216	03/2010 to 11/2010	Before Commissioner Appeal
Excise & Service	Service Tax on others	233605/-	10/2010 to 03/2011	Before Commissioner

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Tax Act				Appeal
Excise & Service Tax Act	Service Tax on others	477159/-	04/2011 to 12/2011	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	97261	01/2012 to 03/2013	Before asst. Commissioner Appeal
Excise & Service Tax Act	Service Tax on Telephone & auto service	467775/-	02/2013 to 10/2013	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on Freight on courier charges	21747/-	02/2013 to 01/2014	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on others	446637/-	05/2013 to 12/2013	Before Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	467560/-	2005-06	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	557648/-	2006-07	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	345626/-	2007-08	Income Tax Tribunal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	136699/-	2008-09	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	1425378/-	2011-12	Income Tax Tribunal

C. For the year ended March, 31, 2013

According to the records of the Company, the dues outstanding of income-tax, sales–tax, service tax, excise duty and cess on account of any dispute, are as follows:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise & Service Tax Act	Service Tax on freight out ward	523288/-	7/2008 to 12/2008	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	215324/-	12/2009 to 3/2010	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	912302/-	4/2010 to 9/2010	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax Others	7402034/-	4/2006 to 9/2010	Before Commissioner Appeal
Excise & Service Tax Act	CENVAT credit on tractor parts	250216	3/2010 to 11/2011	Before Commissioner Appeal

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise & Service Tax Act	Service Tax Others	233605/-	10/2010 to 3/2011	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax Others	97261/-	1/2012 to 3/2013	Before asst Commissioner Appeal
Excise & Service Tax Act	Service Tax Others	377159/-	4/2011 to 12/2011	Before Commissioner Appeal
Punjab Sale Tax Act	Demand P-VAT (Crane)	180000/-	2004-05	DETC Appeals
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	467560/-	2005-06	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	557648/-	2006-07	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	345626/-	2007-08	Income Tax Tribunal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	136699/-	2008-09	Commissioner Appeal
Income Tax Act 1961	Regular Demand After Assessment u/s 153A/143(3)	1425378/-	2011-12	Income Tax Tribunal

D. For the year ended March, 31, 2012

According to the records of the Company, the dues outstanding of income-tax, sales–tax, service tax, excise duty and cess on account of any dispute, are as follows:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise & Service Tax Act	Excise Duty	1,54,086/-	1/2009 to 6/2009	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	5,23,288/-	7/2008 to 12/2008	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	2,15,324/-	12/2009 to 3/2010	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax Others	7,69,776	4/2006 to 9/2010	Before asst. Commissioner Appeal
Excise & Service Tax Act	Service Tax Others	1,58,605/-	10/2010 to 3/2011	Before Commissioner Appeal
Excise & Service Tax Act	CENVAT credit	1,25,108	3/2010 to 11/2010	Before Commissioner Appeal
Excise &	Service Tax on	9,12,302/-	4/2010 to	Before

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act	freight out ward		9/2010	Commissioner Appeal
Punjab Sale Tax Act	Demand P-VAT (Crane)	1,80,000/-	2004-2005	DETC Appeals
Excise & Service Tax Act	Service Tax on others	29,31,241	4/2006 to 9/2010	Before Commissioner Appeal

E. For the year ended March, 31, 2011

According to the records of the Company, the dues outstanding of income-tax, sales–tax, service tax, excise duty and cess on account of any dispute, are as follows:

Nature of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Excise & Service Tax Act	Excise Duty	1,54,086/-	1/2009 to 6/2009	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	5,23,288/-	7/2008 to 12/2008	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	1,87,136/-	7/2009 to 11/2009	Before Commissioner Appeal
Excise & Service Tax Act	Service Tax on freight out ward	1,07,662/-	12/2009 to 3/2010	Assistant Commissioner
Excise & Service Tax Act	Service Tax Others	7,69,776/-	4/2006 to 9/2010	Assistant Commissioner
Excise & Service Tax Act	CENVAT credit	1,25,108/-	3/2010 to 11/2010	Assistant Commissioner
Excise & Service Tax Act	Service Tax Others	1,58,605/-	10/2010 to 3/2011	Assistant Commissioner
Excise & Service Tax Act	Service Tax on freight out ward	4,56,151/-	4/2010 to 9/2010	Assistant Commissioner
Punjab Sale Tax Act	Demand P-VAT (Crane)	1,80,000/-	2004-2005	DETC Appeals

Other Financial Information:

7. At the Company‘s request, we have examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at March, 21, 2015, 2014, 2013, 2012 and 2011.

- Annexure VI: Restated Statement of Share Capital
- Annexure VII: Restated Statement of Reserve & Surpluses

- Annexure VIII: Restated Statement of Long Term Borrowings
- Annexure IX: Restated Statement of Deferred Tax
- Annexure X: Restated Statement of Short Term Borrowings
- Annexure XI: Restated Statement of Trade Payables
- Annexure XII: Restated Statement of Other Current Liabilities
- Annexure XIII: Restated Statement of Short Term Provisions
- Annexure XIV: Restated Statement of Long Term Loans & Advances
- Annexure XV: Restated Statement of Trade Receivables
- Annexure XVI: Restated Statement of Short Term Loans & Advances
- Annexure XVII: Restated Statement of Other Current Assets
- Annexure XVIII: Restated Statement of Revenue From Operation
- Annexure XIX: Restated Statement of Geographical Segment Information
- Annexure XX: Restated Statement of Other Income
- Annexure XXI: Restated Statement of Related Party Transactions.
- Annexure XXII: Restated Statement of Accounting Ratios
- Annexure XXIII: Restated Statement of Employees Benefit Expenses
- Annexure XXIV: Restated Statement of Other Expenses
- Annexure XXV: Restated Statement of Cash & Cash Equivalents
- Annexure XXVI: Restated Statement of Earning Per Share
- Annexure XXVII: Restated Statement of Contingent Liabilities
- Annexure XXVIII: Restated Statement of Fixed Assets
- Annexure XXIX: Restated Statement of Change in Inventories of Work-in Progress & Finished Goods
- Annexure XXX: Restated Statement of Finance Cost
- Annexure XXXI: Restated Statement of Other Long Term Liabilities
- Annexure XXXII: Restated Statement of Raw Material Consumed
- Annexure XXXIII: Restated Capitalisation Statement

9. In our opinion, the financial information as disclosed in the Annexure to this report, read with the respective significant accounting policies and notes disclosed in Annexure V, and after making adjustments and regroupings as considered appropriate and disclosed in Annexure IV, have been prepared in accordance with the relevant provisions of the Act and the Regulations.

10. This report should not be in any way construed as a reissuance or redating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report or events and circumstances occurring after the date of the report.

12. This report is intended solely for your information and for inclusion in the offered document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any purpose without our prior written consent.

For G.S. SYAL & CO.,
Chartered Accountants

(Gurcharan Singh)
Proprietor
M. No. 080075
FRN : 000457N

Place: Jalandhar
Dated: September 10, 2015

ANNEXURE I

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Millions)

Sr No	Particulars	Annex	As at March 31,				
			2015	2014	2013	2012	2011
A.	**Equity & Liabilities**						
	Shareholders' Fund						
	(a) Share Capital						
	- Equity Share Capital	VI	151.65	151.65	151.65	151.65	151.65
	- Preference Share Capital		-	-	-	-	-
	(b) Reserve & Surplus	VII	976.42	763.97	633.58	585.44	417.12
	Total Shareholders' Fund		**1128.07**	**915.62**	**785.23**	**737.09**	**568.77**
B	**Minority Interest**		-	-	-	-	-
C	**Non-Current Liabilities**						
	(a) Long Term Borrowings	VIII	605.80	546.18	430.67	258.07	251.95
	(b) Deferred Tax Liabilities (Net)	IX	60.12	126.19	113.27	33.70	14.59
	(c) Other Long Term Liability	XXXI	-	160.54	-	-	-
	(d) Long Term Provisions		-	-	-	-	-
	Total Non-Current Liabilities		**665.92**	**832.91**	**543.94**	**291.77**	**266.54**
D	**Current Liabilities**						
	(a) Short Term Borrowings	X	691.88	579.62	574.20	468.28	428.14
	(b) Trade Payables	XI	1477.97	1224.33	1082.10	936.58	945.11
	(c) Other Current Liabilities	XII	278.10	257.89	144.70	150.80	131.08
	(d) Short-Term Provisions	XIII	22.68	8.14	48.60	90.00	-
	Total Of Current Liabilities		**2470.63**	**2069.98**	**1849.60**	**1645.66**	**1504.33**
	Total of A+B+C+D		**4264.62**	**3818.51**	**3178.77**	**2674.52**	**2339.64**
E	**Assets**						
	Non-Current Assets						
	(a) Fixed Assets	XXVIII					
	- Tangible Assets		1593.31	1450.63	1076.00	881.33	829.08
	- Intangible Assets		-	-	-	-	-
	-Capital Work In Progress		4.24	240.01	289.36	72.22	24.50
			1597.55	**1690.64**	**1365.36**	**953.55**	**853.58**
	(b) Non-Current Investments		-	-	-	-	-
	(c) Long-Term Loans & Advances	XIV	140.92	128.91	17.04	20.60	14.03
	(d) Other Non-Current Assets		1.50	-	-	-	-
	Total Non-Current Assets		**1739.97**	**1819.55**	**1382.40**	**974.15**	**867.61**
F	**Current assets**						
	(a) Inventories		919.36	612.46	529.49	531.13	519.53
	(b) Trade Receivables	XV	1218.52	1113.46	866.18	847.74	788.92
	(c) Cash And Bank Balances	XXV	4.22	5.21	14.94	8.18	13.59
	(d) Short-Term Loans And Advances	XVI	86.59	19.30	136.12	105.36	41.54
	(e) Other Current Assets	XVII	295.96	248.53	249.64	207.96	108.45
	Total Current Assets		**2524.65**	**1998.96**	**1796.37**	**1700.37**	**1472.03**
	Total of E+F		**4264.62**	**3818.51**	**3178.77**	**2674.52**	**2339.64**

Notes: The above statement should be read with notes to Restated Statement of Assets and Liabilities, Profits and Losses and Cash Flows appearing in Annexure V.

ANNEXURE II

RESTATED STATEMENT OF PROFIT & LOSS

(Rs in Millions)

Particulars	Annex	As at March 31,				
		2015	2014	2013	2012	2011
Income						
Revenue from Operations	XVIII	4,258.67	4,015.78	3,460.66	3,934.35	3,076.37
Other Operating Revenue						
Export Incentives		42.11	24.24	28.57	51.97	27.85
Other Income	XX	5.66	2.46	1.28	0.34	20.37
Total Revenue		**4,306.44**	**4,042.48**	**3,490.51**	**3,986.66**	**3,124.59**
Expenses						
Raw Material Consumed	XXXII	2,934.04	2,779.21	2,313.07	2,741.21	2,229.84
Change In Inventories	XXIX	-148.94	-42.20	24.51	-48.96	-68.50
Employee Benefits Expenses	XXIII	208.06	193.10	161.16	138.40	111.27
Other Expenses	XXIV	703.46	602.20	552.13	638.24	506.33
Depreciation & Amortisation		229.82	173.62	136.25	123.96	117.21
Finance Cost	XXX	172.59	151.88	127.08	115.36	92.49
Total Expenses		**4,099.03**	**3,857.81**	**3,314.20**	**3,708.21**	**2,988.64**
Restated Profit Before Tax		**207.41**	**184.67**	**176.31**	**278.45**	**135.95**
Tax Expenses						
Current Tax		-57.50	-39.10	-48.60	-90.00	-47.50
Deferred Tax (Credit) Charge		66.07	-12.92	-79.57	-19.11	-14.59
MAT Credit Entitlement						
Total Tax Expenses		**8.57**	**-52.02**	**-128.17**	**-109.11**	**-62.09**
Restated Profit For The Period		**215.98**	**132.65**	**48.14**	**169.34**	**73.86**

ANNEXURE III

RESTATED STATEMENT OF CASH FLOWS

(Rs in Millions)

	Particulars	As at March 31,				
		2015	**2014**	**2013**	**2012**	**2011**
A	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Net profit before tax (as restated)	207.41	184.67	176.31	278.45	135.95
	Adjustments to reconcile profit before tax to net cash flow					
	Depreciation & amortisation	229.82	173.63	136.25	123.96	117.21
	Loss on sale of assets	-	0.40	-	0.26	0.03
	Interest paid	160.57	145.38	117.63	104.86	86.00
	Interest received	-5.60	-2.36	-1.19	-0.25	-0.32
	Rent received	-0.06	-0.10	-0.10	-0.10	-0.06
	Operating profit before working capital changes	592.14	501.62	428.90	507.18	338.81
	(Increase)/ Decrease in inventories	-306.90	-82.97	1.64	-11.60	-116.21
	(Increase)/ Decrease in trade receivable	-105.06	-247.29	-18.43	-58.82	-204.71
	(Increase)/ Decrease in trade short term loan & advances	-67.29	116.83	-30.76	-63.82	-3.86
	(Increase)/ Decrease in other current assets	-47.43	1.11	-41.68	-99.51	-2.45
	Increase/ (Decrease) in trade payable	253.64	142.23	145.52	-8.53	260.61
	Increase/ (Decrease) in current liabilities	-2.54	9.57	5.89	13.30	-10.13
	Increase/ (Decrease) in short term provisions	14.54	-40.46	-41.40	90.00	-13.26
	Cash generated from operations	331.10	400.64	449.68	368.20	248.80
	Income tax paid	-61.03	-41.36	-48.60	-91.02	-47.54
	Net cash generated from operating activities (A)	**270.07**	**359.28**	**401.08**	**277.18**	**201.26**
B	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of tangible fixed assets include Capital WIP	-136.72	-501.53	-548.06	-225.73	-144.40
	Sale of fixed assets	-	2.20	-	1.52	1.13
	Increase in other noncurrent assets	-1.50	-	-	-	-
	Interest received	5.60	2.36	1.19	0.25	0.32
	Rent received	0.06	0.10	0.10	0.10	0.06
	Increase in long term loans & advances	-12.02	-111.86	3.56	-6.57	-
	Net cash generated used in investing activities (B)	**-144.58**	**-608.73**	**-543.21**	**-230.43**	**-142.89**
C	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from long term borrowings	133.56	487.78	280.71	126.24	85.89
	Repayment of long term borrowings & Long term liabilities	-211.73	-108.11	-120.11	-113.68	-71.33
	Increase/ decrease in cash credits & Packing credits	112.26	5.42	105.92	40.14	6.60
	Interest Paid	-160.57	-145.37	-117.63	-104.86	-86.00
	Net cash generated from/(used in) financing activities (c)	**-126.48**	**239.72**	**148.89**	**-52.16**	**-64.84**
	Net increase/(decrease) in cash & bank balances (A+B+C)	-0.99	-9.73	6.76	-5.41	-6.47
	Cash & Cash equivalents at the beginning of period	5.21	14.94	8.18	13.59	20.06
	Cash & Cash equivalents at the end of period	4.22	5.21	14.94	8.18	13.59

Notes

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Components of cash and cash equivalents					
Cash in hand	1.84	1.41	1.50	1.79	1.96
Cash imprest	1.56	0.99	2.45	2.41	2.29
With scheduled banks :					
On current accounts	0.82	2.81	10.99	3.98	9.34
Cash and cash equivalents at the end of year	4.22	5.21	14.94	8.18	13.59

ANNEXURE-IV

NOTES ON MATERIAL ADJUSTMENTS

The summary of results of restatements made in the audited summary statements for the respective years and its impact on the profits of the Company is as under:-

(Rs in millions)

	Particulars	**As at March 31,**				
		2015	**2014**	**2013**	**2012**	**2011**
A.	**Net profit as per audited financial statements**	149.91	145.57	127.71	188.45	88.45
B.	**Adjustments to net profits as per audited financial statements**					
	Deferred Tax	66.07	(12.92)	(79.57)	(19.11)	(14.59)
C.	**Restated profit**	215.98	132.65	48.14	169.34	73.86

ANNEXURE-V

NOTES TO RESTATED STATEMENT OF ASSETS AND LIABILITIES, STATEMENT OF PROFIT AND LOSS AND STATEMENT OF CASH FLOWS.

1. Corporate information

GNA Axles Ltd. ("the Company") is a Company established in _1993. The Company manufactures auto components for the four-wheeler industry, primary product being Rear Axles, Shafts, Spindles & other Automobiles Components for sale in domestic market and foreign market. The Company has manufacturing location in the state of Punjab at Mehtiana (Phagwara-Hoshiarpur Road).

2. Basis of preparation

The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2015, 2014, 2013, 2012 and 2011 and the related Restated Summary of Profits and Losses and Cash Flows for the year ended March 2015, 2014, 2013, 2012 and 2011.

The financial statements of the Company for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 have been prepared in accordance with accounting principles generally accepted in India (India GAAP). The Company has prepared these Financial Statements to company in all material respects with the accounting standards. The Financial Statements have been prepared under the historical cost convention and on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

The Restated Summary Statement of Assets and Liabilities of the Company as at March 31, 2015, 2014, 2013, 2012 and 2011 the related restated summary statement of profits and losses and cash flows March 31, 2015, 2014, 2013, 2012 and 2011(hereinafter collectively referred to as "Restated summary statement") relate to the Company and have been prepared specifically for the purpose of inclusion in the offer documents to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of its equity shares.

These Restated Summary Statement of Assets and Liabilities, profits and losses and cash flows have been prepared by the Company to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of The Company Act, 2013 ("the Act") read with rules 4 of Companies (Prospects and Allotment of Securities) Rules, 2015 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulations, 2009 ("SEBI ICDR Regulations") issued by SEBI on August 26, 2009 as amended from time to time.

Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price and other directly attributable costs of bringing the assets to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized.

Gain or losses arising from sale of fixed assets are measured as difference between the proceeds from disposed asserts and carrying amount of assets and are recognized in the statement of profit & loss when the asset is sold.

c. Depreciation on tangible fixed assets.

Depreciation on fixed assets is provided using the Written Down Value Method as per rates prescribed under the Companies Act, 2013.

d. Inventories

Inventories are valued as follows:

A.	Stock Of Raw Material & Stores @ Purchase Price +Direct Expenses
B.	Value Of Stock Of Work In Progress @ Estimated Cost Price
C.	Stock Of Finished Goods @ At Estimated Cost Or Market Price Which Ever Is Less

e. Revenue Recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and excise duty on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

f. Interest

Interest income is recognized on Accrual basis & as per the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

g. Exchange differences

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized.

2. All other exchange differences are recognized as income or as expenses in the period in which they arise.

h. Tax Expenses

Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the income-tax Act, 1961 enacted in India. **Deferred tax** resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period is accounted for using the tax rates and loss that are enacted or substantively enacted as on the balance sheet date.

i. Earnings per share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the number of equity shares outstanding during the year.

j. Retirement & Other Benefits

1. **Gratuity: -** The Company has a defined benefit gratuity plan. Ever employee who has completed 5 years are more of service is entitled to gratuity on terms not less favourable than the Provisions of " The Payment of Gratuity Act 1972." The scheme is funded with LIC of India.

2. **Provident & Others Funds**: - The Retirement in the form of Provident and superannuation funds are defined contribution schemes. The contribution to provident and superannuation funds are charged to the statement of profit & loss for the year when the employee renders the related service. The company has no

obligation other that the contribution payable to the provident fund and superannuation fund.

3. **Leave Encashment: -** The Company also extends the benefit of leave encashment to its employees on yearly basis or accumulated leave at the time of retirement. This is an unfunded plan.

k. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed 1by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rate cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. The followings are the summary of contingent liabilities:-

(Rs in Millions)

	As at March 31,				
Nature	**2015**	**2014**	**2013**	**2012**	**2011**
Sales Tax Liabilities	19.55	19.55	0.18	0.18	0.18
EPGC Pending Duty in lieu of import	6.74	13.89	67.82	-	-
Excise & Service Tax	6.28	17.18	10.26	7.19	2.48
Income tax	1.43	2.93	1.91	-	-

l. Impairment of assets

At each balance sheet date an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of assets exceeds its recoverable amount is provided in the books of accounts. There is no impairment of assets

m. Borrowing Costs

All borrowing costs are recognized as an expense in the statement of profit and loss.

n. Previous Years Figures have been regrouped/ rearranged wherever consider necessary.

ANNEXURE VI

RESTATED STATEMENT OF SHARE CAPITAL

(Rs in Millions, other than figures in brackets)

Particulars	**As at March 31,**				
	2015	**2014**	**2013**	**2012**	**2011**
Authorised share capital					
- Equity Shares of Rs. 10 each	300.00	200.00	200.00	200.00	200.00
Issued, subscribed and fully paid up					
- Equity Shares of Rs. 10 each	151.65	151.65	151.65	151.65	151.65
Reconciliation of number of shares :					
Equity Shares					
Number of shares at the beginning of the year	15,165,400	15,165,400	15,165,400	15,165,400	15,165,400
Add: Shares issued during the year	-	-	-	-	-
Less: Bought back during the year	-	-	-	-	-
Number of shares at the closing of the year	15,165,400	15,165,400	15,165,400	15,165,400	15,165,400

ANNEXURE VII

RESTATED STATEMENT OF RESERVE & SURPLUSES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Reserve & Surplus					
Balance as per last Balance Sheet					
Opening Balance	763.97	633.58	585.44	417.12	343.29
Less: income tax of earlier years	3.53	2.26	-	1.02	0.03
	760.44	**631.32**	**585.44**	**416.10**	**343.26**
Add: restated profit as per restated profit & loss	215.98	132.65	48.14	169.34	73.86
Closing balance	**976.42**	**763.97**	**633.58**	**585.44**	**417.12**

ANNEXURE VIII

RESTATED STATEMENT OF LONG TERM BORROWINGS

(Rs in Millions)

Particulars	As at March 31,					As at March 31,				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
	Non Current Portion Of Long Term Borrowings					Current Maturities Of Long Term Borrowings				
Secured										
Term Loan										
From Banks	605.8	546.18	430.67	258.07	251.95	212.80	211.73	108.11	120.11	113.68
From Others										
Total	**605.80**	**546.18**	**430.67**	**258.07**	**251.95**	**212.80**	**211.73**	**108.11**	**120.11**	**113.68**
Unsecured										
From Banks	-	-	-	-	-	-	-	-	-	-
From Others	-	-	-	-	-	21.69	-	-	-	-
Total	-	-	-	-	-	**21.69**	**-**	**-**	**-**	**-**
Amount disclosed under the head "Long Term Borrowings"	605.80	546.18	430.67	258.07	251.95					
Amount disclosed under the head "other current liabilities"						234.49	211.73	108.11	120.11	113.68
Total	**605.80**	**546.18**	**430.67**	**258.07**	**251.95**	**234.49**	**211.73**	**108.11**	**120.11**	**113.68**

Note: Term Loans from banks include vehicle loans from PNB secured against hypothecation of vehicles payable in 36/60 equal monthly instalments carrying interest @10.5% p.a. All other term loans are secured against building, machinery and other assets of the company payable in 20 quarterly instalments and carry interest @13.15% p.a. Unsecured loans are payable in 24 instalments.

ANNEXURE IX

RESTATED STATEMENT OF DEFERRED TAX

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Deferred Tax					
Rate of tax (%)	34.00	34.00	32.45	32.45	33.22
Timing Differences on which Deferred Tax is to be Calculated	176.82	371.15	349.06	103.85	43.95
Deferred Tax (Gross)	**60.12**	**126.19**	**113.27**	**33.70**	**14.59**
Less: Carry forward of previous year	126.19	113.27	33.70	14.59	-
Deferred tax liabilities net	**(66.07)**	**12.92**	**79.57**	**19.11**	**14.59**

ANNEXURE X

RESTATED STATEMENT OF SHORT TERM BORROWINGS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Secured from banks					
Cash Credit	254.48	333.36	331.18	296.84	428.14
Packing credit in foreign currency	437.40	246.26	243.02	171.44	0.00
Total	**691.88**	**579.62**	**574.20**	**468.28**	**428.14**

Notes: -

1. The Restated Short Terms Borrowings in rupees are consisted of cash credit limit, O/D limits and PCFC limits against hypothecation of stock, book debts and other movable assets.

ANNEXURE XI

RESTATED STATEMENT OF TRADE PAYABLES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Trade Payables					
Sundry Creditors	1477.97	1224.33	1082.10	936.58	945.11
Total	**1477.97**	**1224.33**	**1082.10**	**936.58**	**945.11**

Notes: -

1. Sundry creditors include the amounts payable against stores, job work services, steel & other misc. payables.

ANNEXURE XII

RESTATED STATEMENT OF OTHER CURRENT LIABILITIES

(Rs in Millions)

Particulars	As at March 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Other Current Liabilities					
Current Maturity from Long Term Borrowings	234.49	211.73	108.11	120.11	113.68
Employees securities	-	0.04	0.06	0.04	0.02
Advances from customers	-	1.87	1.62	5.22	0.02
Statutory Payables	6.91	8.05	7.43	6.7	5.47
TDS Payables	1.73	1.81	1.53	1.89	1.58
Sundry Payables	34.97	34.39	25.95	16.84	10.31
Total	**278.10**	**257.89**	**144.70**	**150.80**	**131.08**

ANNEXURE XIII

RESTATED STATEMENT OF SHORT TERM PROVISIONS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Short Term Provisions					
Provision for income tax	22.68	8.14	48.60	90.00	-
Total	**22.68**	**8.14**	**48.60**	**90.00**	**-**

ANNEXURE XIV

RESTATED STATEMENT OF LONG TERM LOANS & ADVANCES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Long Term Loan & Advances					
Security Deposit	135.76	128.03	16.80	16.80	12.95
Margin Money (FDR)	5.16	0.64	0.00	3.56	0.84
Rent Advances	-	0.24	0.24	0.24	0.24
Total	**140.92**	**128.91**	**17.04**	**20.60**	**14.03**

ANNEXURE NO – XV

RESTATED STATEMENT OF TRADE RECEIVABLES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment					
-Unsecured, considered good	61.21	29.64	49.33	14.28	27.33
-Considered Doubtful	-	-	-	-	-
	61.21	29.64	49.33	14.28	27.33
Provision for doubtful receivables	-	-	-	-	-
Total (A)	**61.21**	**29.64**	**49.33**	**14.28**	**27.33**
Outstanding for a period less than six months from the date they are due for payment					
Unsecured, considered good	1157.31	1083.82	816.85	833.46	761.59
Total(B)	**1157.31**	**1083.82**	**816.85**	**833.46**	**761.59**
Grand Total (A+B)	**1218.52**	**1113.46**	**866.18**	**847.74**	**788.92**

ANNEXURE XVI

RESTATED STATEMENT OF SHORT TERM LOANS & ADVANCES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Short Term Loan & Advances					
Advance to Vendor	15.30	16.37	122.28	97.10	36.11
Advance to Employee	5.68	2.93	13.84	8.26	5.43
Advance for Fixed Assets	65.61	-	-	-	-
Total	**86.59**	**19.30**	**136.12**	**105.36**	**41.54**

ANNEXURE XVII

RESTATED STATEMENT OF OTHER CURRENT ASSETS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Other Current Assets					
Balance with Central Excise	58.97	23.73	43.78	35.76	35.16
Excise Duty Pending Claim	11.54	9.47	13.52	8.14	7.23
Value Added Tax	162.70	171.71	136.03	93.40	40.85
Excise Duty Pending Rebate (Export Sale)	49.22	36.85	0.03	1.26	13.89
Group Gratuity Recoverable	0.24	0.09	0.13	0.13	0.08
Amount Recoverable	7.97	0.60	-0.34	0.29	7.60
Insurance Claim Recoverable	-0.14	-0.03	-0.03	0.05	0.05
Prepaid Expenses	4.93	4.41	4.18	2.79	2.41
Advance Income Tax	0.53	1.70	52.34	66.13	1.18
Total	**295.96**	**248.53**	**249.64**	**207.96**	**108.45**

ANNEXURE XVIII

RESTATED STATEMENT OF REVENUE FROM OPERATION

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Revenue From Operations					
Sale Products					
Sale domestic (Gross)	2357.97	2815.33	2495.02	2721.12	2201.97
Sale export (Indirect)	26.09	34.20	44.19	77.94	269.71
Sale export (Direct)	2032.32	1399.10	1129.16	1284.07	861.13
Sale of scrap	105.65	79.81	72.96	121.83	80.02
Gross sale	**4522.03**	**4328.44**	**3741.33**	**4204.96**	**3412.83**
Less: excise duty paid	263.36	312.66	280.67	270.61	336.46
Net revenue from operations	**4258.67**	**4015.78**	**3460.66**	**3934.35**	**3076.37**

ANNEXURE XIX

RESTATED STATEMENT OF GEOGRAPHICAL SEGMENT INFORMATION

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Sales					
Domestic Sales	2200.26	2582.48	2287.31	2572.34	1945.53
Export Sales	2058.41	1433.30	1173.35	1362.01	1130.84
Total	**4258.67**	**4015.78**	**3460.66**	**3934.35**	**3076.37**

ANNEXURE XX

RESTATED STATEMENT OF OTHER INCOME

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Other Income					
Interest income	5.60	2.36	1.19	0.25	0.31
Rent received	0.06	0.10	0.09	0.09	0.06
Misc. income	-	-	-	-	20.00
Total	**5.66**	**2.46**	**1.28**	**0.34**	**20.37**

ANNEXURE-XXI

RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS.

LIST OF RELATED PARTIES AND TRANSACTIONS AS PER REQUIREMENTS OF ACCOUNTING STANDARED-18, 'RELATED PARTY DISCLOSURES'

Particulars	As at March 31				
	2015	2014	2013	2012	2011
(A) Related parties with whom transactions have been entered in to during year					
(i) Key Management Personnel (KMP)	S. Rachhpal Singh S. Gursaran Singh S. Ranbir Singh S. Jasvinder Singh S. Harvinder Singh S. Kulvin Seehra	S. Rachhpal Singh S. Gursaran Singh S. Ranbir Singh S. Jasvinder Singh S. Harvinder Singh S. Gurdeep Singh S. Kulvin Seehra	S. Rachhpal Singh S. Gursaran Singh S. Ranbir Singh S. Jasvinder Singh S. Harvinder Singh S. Gurdeep Singh S. Kulvin Seehra	S. Rachhpal Singh S. Gursaran Singh S. Ranbir Singh S. Jasvinder Singh S. Maninder Singh S. Gurdeep Singh	S. Rachhpal Singh S. Gursaran Singh S. Ranbir Singh S. Jasvinder Singh S. Maninder Singh S. Gurdeep Singh
(ii) Relatives of Key Management Personnel	Smt. Harjinder Kaur Smt. Mohinder Kaur Smt. Jasleen Kaur Smt. Loveleen Kaur Smt. Amarjeet Kaur S. Harvinder Singh S. Rupinder Singh S. Kulvin Seehra S. Keerat Seehra Smt. Parminder jeet Kaur Smt. Harkesh Kaur Ms. Simran Seehra Ms. Ashmeet Seehra Smt. Manjot Wilkhu S. Veeraj Seehra	Smt. Harjinder kaur Smt. Mohinder kaur Smt. Jasleen kaur Smt. Loveleen kaur Smt. Amarjeet Kaur S. Harvinder singh S. Rupinder singh S. Kulvin Seehra S. Keerat Seehra Smt. Parminder jeet kaur Smt. Harkesh kaur Ms. Simran Seehra Ms. Ashmeet Seehra Smt. Manjot Wilkhu	Smt. Harjinder kaur Smt. Mohinder kaur Smt. Jasleen kaur Smt. Loveleen kaur Smt. Amarjeet Kaur S. Harvinder singh S. Rupinder singh S. Kulvin Seehra S. Keerat Seehra Smt. Parminder jeet kaur Smt. Harkesh kaur Ms. Simran Seehra Ms. Ashmeet Seehra S. Maninder Singh Smt. Manjot Wilkhu S. Veeraj Seehra	Smt. Harjinder kaur Smt. Mohinder kaur Smt. Jasleen kaur Smt. Loveleen kaur Smt. Surinder kaur Smt. Amarjeet Kaur S. Harvinder singh S. Rupinder singh S. Kulvin Seehra S. Keerat Seehra Smt. Parminder jeet kaur Smt. Harkesh kaur Ms. Simran Seehra Ms. Ashmeet Seehra Ms. Sayesha Seehra Ms. Randeep Kaur	Smt. Harjinder kaur Smt. Mohinder kaur Smt. Jasleen kaur Smt. Loveleen kaur Smt. Surinder kaur Smt. Amarjeet Kaur S. Harvinder singh S. Rupinder singh S. Kulvin Seehra S. Keerat Seehra Smt. Parminder jeet kaur Smt. Harkesh kaur Ms. Simran Seehra Ms. Ashmeet Seehra Ms. Sayesha Seehra Ms. Randeep Kaur
(iii) Enterprises owned or significantly influenced by key management personnel or their relatives ("EKMP/ER KMP)	GNA Duraparts Ltd. GNA Udyog LTD GNA Investment Ltd. Amarsons Automotives Ltd Guru Nanak Transmissions Punjab Ltd GNA Sons Seehra overseas GNA Consultancy GNA Auto Tech	GNA Duraparts Ltd. GNA Udyog Ltd. GNA Investment Ltd. Amarsons Automotives Ltd Guru Nanak Transmissions Punjab Ltd GNA Sons Seehra overseas GNA Consultancy GNA Auto Tech	GNA Duraparts LTD GNA Udyog LTD GNA Investment LTD Amarsons Automotives Ltd Guru Nanak Transmissions Punjab Ltd GNA Sons Seehra overseas Jasbir Traders	GNA Duraparts LTD GNA Udyog LTD GNA Investment LTD Amarsons Automotives Ltd Guru Nanak Transmissions Punjab Ltd GNA Sons Seehra overseas Jasbir Traders	GNA Duraparts LTD GNA Udyog LTD GNA Investment LTD Amarsons Automotives Ltd Guru Nanak Transmissions Punjab Ltd GNA Sons Seehra overseas Jasbir Traders

DETAIL OF TRANSACTIONS WITH RELATED PARTIES

(Rs. in Million)

Sr No	Particulars	Relationship	As at March 31,				
			2015	2014	2013	2012	2011
1	**Remuneration**						
	S. Ranbir singh	KMP	5.88	5.01	5.01	4.1	3.64
	S. Jasvinder Singh	KMP	5.88	5.01	5.01	4.1	3.74
	S. Harvinder Singh	KMP	1.62	1.05	1.05	0.79	0.27

Sr No	Particulars	Relationship	As at March 31,				
	S. Kulvin Seehra	KMP	1.62	1.05	1.05	0.79	0.27
	S. Rachpal Singh	KMP	4.2	3.73	3.73	-	-
	S. Gursaran Singh	KMP	4.2	3.73	3.73	-	-
	S. Ranbir Singh	KMP	5.88	5.01	5.01	-	-
2	**Rent**						
	S. Rachhpal Singh	KMP	0.25	0.25	0.25	0.25	0.25
	S. Gursaran Singh	KMP	0.25	0.25	0.25	0.25	0.25
3	**Rent Advance**						
	S. Rachhpal Singh	KMP	-	-	-	-	0.12
	S. Gursaran Singh	KMP	-	-	-	-	0.12
4	**Royalty**						
	GNA Sons, Bundala	EKMP		5.98	5.42	5.92	4.67
5	**Purchases**						
	GNA Udyog Ltd	EKMP	-	4.70	0	12.11	0.017
	GNA Duraparts Ltd	EKMP	-	1.5	0		
6	**Security Deposit (Balance at the end of the year)**						
	GNA Sons	EKMP	56.52	55.77	1.76	4.91	-2.38
	GNA Duraparts Ltd	EKMP	0	-0.86	0.58	0.03	5.24
	GNA Udyog Ltd	EKMP	48.89	46.89	29.6	0.31	15.20
	Seehra Overseas	EKMP	1.00	1.00			
7	**Other Expenses**						
	Ms. Ashmeet Seehra	RKMP	-	-	-	0.58	1.43
8	**Advance for Fixed Assets**						
	S. Rachhpal Singh	KMP	50.51	-	-	-	-

ANNEXURE XXII

RESTATED STATEMENT OF ACCOUNTING RATIOS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Earnings per Share					
Profit after tax (a)	215.98	132.65	48.14	169.34	73.86
Average number of shares outstanding at the end of the year (b)	15.1654	15.1654	15.1654	15.1654	15.1654
EPS (a / b)	14.24	8.75	3.17	11.17	4.87
Return on Net Worth					
Profit after tax (a)	215.98	132.65	48.14	169.34	73.86
Net Worth at the end of the year (b)	1126.57	915.62	785.23	737.09	568.77
Return on net worth (a/b x 100)	19.17	14.49	6.13	22.97	12.98
Net Assets Value per Share					
Net Worth at the end of the year (a)	1126.57	915.62	785.23	737.09	568.77
Number of shares outstanding at the end of the year(b)	15.1654	15.1654	15.1654	15.1654	15.1654
Net Assets Value per Share (a/b)	**74.29**	**60.37**	**51.78**	**48.60**	**37.50**

ANNEXURE NO – XXIII

RESTATED STATEMENT OF EMPLOYES BENEFIT EXPENSES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Employees Benefit Expenses					
Employees benefit expenses					
Wages	88.42	81.66	53.89	45.62	29.59
Staff salary	50.81	51.47	55.78	50.59	48.33
Director's remuneration	23.4	18.08	14.26	9.02	6.82
Contribution to provident fund					
Directors	2.81	1.56	1.14	3.07	2.36
Others	4.54	5.94	4.29	0.77	0.57
Contribution to other fund					
Employee welfare fund	-	-	-	-	0.03
Family pension	7.32	6.34	5.24	3.95	3.19
Administrative charges	1.35	1.29	0.97	0.71	0.57
Group gratuity scheme	4.04	4.73	3.87	4.64	2.39
Group insurance	0.94	0.62	0.54	0.49	0.31
Super annuation fund	1.79	1.79	1.55	1.28	1.09
Other expenses					
Worker & staff welfare	13.22	9.89	11.42	10.59	9.86
Bonus	4.14	5.2	4.92	5.04	4.14
Leave with wages	1.63	1.54	1.04	0.63	0.57
Medical reimbursement	3.65	2.99	2.25	2.00	1.45
	208.06	**193.10**	**161.16**	**138.40**	**111.27**

ANNEXURE NO – XXIV

RESTATED STATEMENT OF OTHER EXPENSES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Other Expenses					
Office Expenses	1.04	1.48	1.51	2.19	3.44
Donation	2.28	0.32	0.44	0.25	1.89
Subscription/membership fee	0.59	0.79	0.70	0.56	0.60
Entertainment expenses	0.96	0.61	0.53	0.60	0.69
Fees & Taxes	1.22	1.12	2.53	1.78	0.71
Rent	0.00	0.52	0.52	0.52	0.53
Insurance	5.51	4.81	4.12	3.05	2.90
Legal & Profession Expenses	7.10	6.31	5.83	6.07	4.42
News Paper & Periodicals Expenses	0.27	0.04	0.10	0.15	0.07
Audit Fees	1.05	1.05	1.20	1.25	0.55
Audit Expenses	-	-	0.02	-	-
Vehicle Petrol	5.34	4.69	5.22	4.29	3.98
Vehicle Repair	3.87	3.85	3.49	3.31	2.35
Repair of Building	3.06	1.70	4.89	4.32	5.42
Postage & Courier Expenses	0.90	0.54	0.97	0.84	1.28
Printing & Stationery	1.95	1.56	1.75	1.65	1.92
Generator/ General Repair & Maint.	40.84	62.81	128.95	148.46	143.35
Repair & Maint. Of Computer	1.99	2.26	1.33	1.66	1.11
Telephone Expenses	1.58	1.81	1.63	1.92	1.91
Wealth Tax	0.01	0.05	0.06	0.17	0.13
Director Sitting Fees	0.06	-	-	-	-
Loss on Sale of Assets	-	0.40	-	0.26	0.03
Amount Written off	-	0.11	-	-0.08	0.16
Rounded off	-	-	-	-0.02	-
Travelling Expenses	21.14	17.64	18.70	21.31	16.28
Machining Charges	118.98	99.01	83.00	88.95	79.64
Power & Fuel	300.90	271.12	195.53	252.72	137.56
Repair & Maintenance	26.04	22.74	13.65	0.10	0.33
Factory Expenses	1.99	2.10	2.69	2.46	1.17
Advertisement Expenses (Inclusive of media)	0.36	0.20	3.88	7.47	2.85
Guest House Expenses	0.08	0.08	0.06	0.05	0.04
Club Fees	0.07	0.18	0.14	0.09	0.11
Sale Tax Paid	-	6.50	-	-	-
Freight & Cartage Outward	33.51	30.11	21.65	25.88	29.18
Sale Commission & Incentive	0.38	0.74	0.64	1.71	2.11
Business Promotion Expenses	5.68	5.19	10.45	7.68	7.55
Royalty	-	5.98	5.42	5.92	4.67
Export Packing & Forwarding Exp.	114.71	43.78	30.53	40.70	47.40
Total	**703.46**	**602.20**	**552.13**	**638.24**	**506.33**

ANNEXURE NO – XXV

RESTATED STATEMENT OF CASH & CASH EQUIVALENTS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Balance with Banks	0.82	2.81	10.99	3.98	9.35
Cash in hand	1.84	1.41	1.50	1.79	1.96
Cash Imprest	1.56	0.99	2.45	2.41	2.28
Total	**4.22**	**5.21**	**14.94**	**8.18**	**13.59**

ANNEXURE NO – XXVI

RESTATED STATEMENT OF EARNING PER SHARES

(Rs in Millions)

Particulars	As at March 31,				
	2015	**2014**	**2013**	**2012**	**2011**
Profit After Tax (A)	215.98	132.65	48.14	169.34	73.86
Average Number of Shares outstanding at the end of year (B)	15.16	15.16	15.16	15.16	15.16
EPS (A / B)	**14.24**	**8.75**	**3.17**	**11.17**	**4.87**

ANNEXURE NO – XXVII

RESTATED STATEMENT OF CONTINGENT LIABILITIES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Nature					
Sales-tax liabilities	19.55	19.55	0.18	0.18	0.18
EPGC Pending Duty in lieu of import	6.74	13.89	67.82	-	-
Excise & Service Tax	6.28	17.18	10.26	7.19	2.48
Income Tax	1.43	1.43	1.43	-	-

ANNEXURE NO – XXVIII

RESTATED STATEMENT OF FIXED ASSETS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
A) Tangible Assets					
i) Freehold Land					
Gross Block	47.16	47.16	46.42	45.41	35.91
Less: Accumulated Depreciation	-	-	-	-	-
Net Block	**47.16**	**47.16**	**46.42**	**45.41**	**35.91**
ii) Factory Building					
Gross Block	340.08	322.91	209.97	137.16	114.65
Less: Accumulated Depreciation	111.25	89.03	67.31	53.48	46.35
Net Block	**228.83**	**233.88**	**142.66**	**83.68**	**68.30**
iii) Plant & Machinery					
Gross Block	2294.22	1947.31	1525.24	1284.59	1171.45
Less: Accumulated Depreciation	1029.19	841.12	705.60	601.37	499.58
Net Block	**1265.03**	**1106.19**	**819.64**	**683.22**	**671.87**
iv) Furniture & Equipments					
Gross Block	28.10	27.31	25.41	19.60	17.30
Less: Accumulated Depreciation	18.10	14.76	12.21	9.99	8.13
Net Block	**10.00**	**12.55**	**13.20**	**9.61**	**9.17**
v) Vehicles					
Gross Block	65.59	61.68	64.14	62.60	45.43
Less: Accumulated Depreciation	44.44	35.41	36.18	26.69	21.19
Net Block	**21.15**	**26.27**	**27.96**	**35.91**	**24.24**
vi) Office Equipments					
Gross Block	39.92	37.51	34.13	28.61	24.29
Less: Accumulated Depreciation	21.77	18.50	15.95	13.76	11.90
Net Block	**18.15**	**19.01**	**18.18**	**14.85**	**12.39**
vi) Computer					
Gross Block	39.90	38.58	37.45	33.90	28.71
Less: Accumulated Depreciation	36.91	33.01	29.51	25.25	21.51
Net Block	**2.99**	**5.57**	**7.94**	**8.65**	**7.20**
Total Gross Block	**2854.97**	**2482.46**	**1942.76**	**1611.87**	**1437.74**
Total Accumulated Depreciation	**1261.66**	**1031.83**	**866.76**	**730.54**	**608.66**
Total Net Block of Tangible Assets (A)	**1593.31**	**1450.63**	**1076.00**	**881.33**	**829.08**
Capital Work in Progress (B)	4.24	240.01	289.36	72.22	24.50
Total (A + B)	**1597.55**	**1690.64**	**1365.36**	**953.55**	**853.58**

ANNEXURE NO – XXIX

RESTATED STATEMENT OF CHANGE ININVENTORIES OF WORK-IN-PROGRESS AND FINISHED GOODS

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
At the beginning of the Accounting Period	**405.00**	**362.80**	**387.31**	**338.35**	**269.85**
WIP	351.10	313.97	306.96	300.42	268.91
FINISHED GOODS	53.91	48.83	80.35	37.93	0.94
At the end of the Accounting Period	**553.94**	**405.00**	**362.80**	**387.31**	**338.35**
WIP	489.94	351.10	313.97	306.96	300.42
FINISHED GOODS	64.00	53.90	48.83	80.35	37.93
	-148.94	**-42.20**	**24.51**	**-48.96**	**-68.50**

ANNEXURE NO – XXX

RESTATED STATEMENT OF FINANCE COST

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
A) Interest Expense					
Interest on Term Loan	103.67	90.79	65.23	53.38	45.75
Interest on Cash Credit	53.42	54.54	52.38	51.43	40.33
Interest to Others	3.48	0.04	0.02	0.04	0.12
B) Other Borrowing Costs					
Bank Commission	12.02	6.51	9.45	10.51	6.49
Total (A+B)	**172.59**	**151.88**	**127.08**	**115.36**	**92.49**

ANNEXURE NO – XXXI

RESTATED STATEMENT OF OTHER LONG TERM LIABILITIES

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Creditors for Machinery	-	160.54	-	-	-
Total (A+B)	**-**	**160.54**	**-**	**-**	**-**

ANNEXURE NO – XXXII

RESTATED STATEMENT OF RAW MATERIAL CONSUMED

(Rs in Millions)

Particulars	As at March 31,				
	2015	2014	2013	2012	2011
Raw Material Consumed [STEEL]	2410.78	2321.41	1922.28	2347.81	1950.59
Stores, Spares & packing	523.26	457.80	390.79	393.40	279.25
Total	**2,934.04**	**2,779.21**	**2,313.07**	**2,741.21**	**2,229.84**

ANNEXURE NO – XXXIII

RESTATED STATEMENT OF CAPITALISATION STATEMENT

PARTICULARS	**As on 31.03.2015**	**As adjusted for IPO (Refer note 2 below)**
DEBT		
Long Term Debt (A)	605.80	
Short Term Maturities of Term Loans	234.49	
Short Term Debt	691.88	
Total Debt (B)	**1532.17**	
Shareholder' Funds		
Share Capital		
Equity share capital	151.65	
Reserve & Surplus		
Security premium		
other reserves		
General reserves	760.44	
Stock option outstanding		
surplus in statement of profit & loss	215.98	
Total shareholder funds(c)	**1128.07**	
Long term Debt/Shareholder,s Funds (A/C)	0.54	
Total Debt/shareholders funds (B/C)	1.35	

Notes:

1 The figures disclosed above are based on restated consolidated summary statement of assets and loabilities of the company

2 The corresponding post IPO Capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement

For G.S. SYAL & CO.,
Chartered Accountants

(Gurcharan Singh)
Proprietor
M. No. 080075
FRN : 000457N

Place: Jalandhar
Dated: September 10, 2015

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for the purposes of meeting working capital requirements. Set forth below is a brief summary of the aggregate borrowings of our Company as of August 31, 2015:

Category of borrowing	Sanctioned Amount (in ₹ million)	Outstanding amount (in ₹ million) as on August 31, 2015
Working capital loans		
Secured	850.00	704.18
Term loans		
Secured	1,058.97	752.99
Unsecured	30.00	14.90
Total	**1,938.97**	**1,472.07**

Principal terms of the borrowings availed by us:

1. ***Interest:*** In terms of the loans availed by us, the interest rate is typically base rate plus basis points as specified by a given lender.

2. ***Tenor:*** The tenor of the working capital limits typically ranges from four months to 12 months and 60 months for the term loans.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security by way of hypothecation of stocks and book debts, charge over movable and immovable assets of our Company, personal guarantees provided by our Directors and counter indemnity/ guarantee provided by our Company. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The working capital facilities are typically repayable on demand. The repayment period for our term loan is in equal quarterly instalments.

5. ***Covenants:*** Borrowing arrangements entered into by our Company contain certain covenants to be fulfilled by our Company, including:

   a) Maintaining certain financial covenants including current asset cover;

   b) Submission of financial statements to our lenders within a specified period;

   c) Notification to our lenders prior to issue of equity shares; and

   d) Ensuring that all goods, book debts, movables and other security created are fully insured against any loss or damage at our Company’s risk and expense.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including:

   a) Breach of the obligations under any term of the relevant agreement or any other borrowing agreement entered into by our Company.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Statements as of and for the years ended March 31, 2015, 2014, 2013, 2012 and 2011 respectively, including the notes thereto and the report thereon, which appear elsewhere in this Draft Red Herring Prospectus. You should also see the section entitled "Risk Factors" on page 16 and the section entitled "Forward-Looking Statements" on page 14, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated, is based on our Restated Financial Statements.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and restated as described in the report of our auditors dated September 10, 2015, which is included in this Draft Red Herring Prospectus under "Restated Financial Statements". The Restated Financial Statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year; therefore, all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Overview

Established in 1993, our Company is today among the leading manufacturers of rear axle shafts used in on-highway and off-highway vehicular segments in India. Since our first supplies in 1996-1997 and our first exports in 2001, we have grown to production levels of more than 1.97 million components in Fiscal 2015. We manufacture and supply a diverse range of rear axle shafts, other shafts and spindles for the on-highway segment, i.e. for LCVs, MCVs and HCVs and other transport vehicles such as buses. We also manufacture and supply a diverse range of rear axle shafts and other shafts for the off-highway segment, i.e. for agricultural tractors and machinery, forestry and construction equipments, electric carts and other specialty vehicles used in mining and defense sectors. We also manufacture solid and hollow spindles used in the axle assembly for various vehicles and equipments in the on-highway segment which we supply to our export customers.

We have a broad customer base for both the on-highway and off-highway segments and our customers are based in India and overseas. Our customers primarily include OEMs such as Mahindra & Mahindra Limited, John Deere, TAFE, and tier-1 suppliers to OEMs such as Automotive Axles Limited, Meritor HVS AB and Dana Limited. In Fiscal 2015, our domestic sales and export sales constituted 51.67% and 48.33% of our revenue from operations, respectively. Our domestic customers in the on-highway segment include major tier-1 suppliers such as Automotive Axles Limited and Dana Limited and HCV manufacturer such as Meritor HVS AB. In the off-highway segment, our domestic customers include major tractor manufacturers such as Mahindra & Mahindra Limited, TAFE, Escorts Limited and Claas India Private Limited. We also export rear axle shafts, other shafts and spindles to various countries including USA, Sweden, Turkey, Brazil, Italy, Germany, Spain, Mexico, Japan, UK, France, China and Australia. Our major global customers include Meritor HVS AB, John Deere, Transaxle Manufacturing of America, Dana Limited and Kubota Corporation.

For Fiscal 2015, our total revenue and our net profit were ₹ 4,306.44 million and ₹ 215.98 million, respectively. For Fiscal 2015, our total sales was ₹ 4,258.67 million comprising domestic sales of ₹ 2,200.26 million and export sales of ₹ 2,058.41 million.

Significant factors affecting our results of operations and financial condition

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.

Market conditions affecting the industry

The sales of our products are directly related to the production and sales volumes of vehicles by our customers. Production and sales may be affected by general economic or industry conditions. We are particularly affected by factors affecting commercial vehicle and tractors segments in India. We believe that we have come out from the general recession in 2007- 2008 in a very effective way by improving and diversifying our customer and product base due to various factors including use of modern manufacturing facilities. In Fiscal 2015, when there was a slowdown in the domestic tractor industry, we have achieved revenue from operations of ₹ 4,258.67 million against revenue from operations of ₹ 4,015.78 million for the Fiscal 2014, primarily on account of increase in export sales.

Customer specifications, purchasing patterns, terms of supply arrangements and pricing of our products

All our revenue from operations except revenue from sale of scrap comes from our sales to OEMs and tier I suppliers to OEMs. We have a wide customer base of OEMs and tier I suppliers to OEMs and revenues of our Company are not dependent on any single customer. In Fiscal 2015, the share of our sales to our top 10 customers was 67.62% of our total sales with our largest customer contributing to 16.47% of our total sales.

We have a broad customer base for both the on-highway and off-highway vehicle segments and our customers are based in India and overseas. The demand for our products from these customers has a significant impact on our results of operations and financial condition, and our sales are particularly affected by the inventory and production levels of our key OEM and tier I suppliers to OEMs customers. We may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is reduced for any reason. Our supply agreements with certain customers are long term agreements and the supply of our products to other customers is on the basis of purchase orders. There may be instances where our customers modify their requirements with little advance notice, which may either require us to increase production or decrease production and inventories at short notice and bear additional costs. Our contracts and supply arrangements with key OEM customers also contain certain standards and performance obligations and our failure to meet such specification could result in reduction of business, termination of contracts or additional costs and penalties.

Input and employee costs

Our financial condition and results of operations are significantly impacted by the availability and cost of raw materials, particularly steel, as this constitutes our largest expense. Our expenditure on raw material consumed, including stores and spares, has been 68.13%, 68.75% and 66.27% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

We have a diverse portfolio of vendors supplying steel based raw materials to us and we are not significantly dependent on any single vendor. We source steel directly from steel mills in India including those in Punjab. Commodity prices are influenced by, among other factors, changes in global economic conditions, industry cycles and demand-supply dynamics. The changes in raw material costs are generally passed through to our customers. Nonetheless, because such price adjustments based on cost changes only occur at periodic intervals, there is generally a time lag between changes in our raw material costs and any adjustments to our prices. As a result, if such raw material costs increase significantly during this period, it can have a negative impact on our profitability. We also seek to increase our margins by improving our procurement costs for steel in India and obtaining better credit terms from our suppliers and better financing terms under our working capital facilities.

In the Fiscals 2015, 2014 and 2013, employee benefits expenses aggregated to ₹ 208.06 million, ₹ 193.10 million and ₹ 161.16 million, respectively, and as a percentage of our total revenue, were 4.83%, 4.78% and 4.62%, respectively.

Foreign currency fluctuations

Our financial statements are presented in Indian Rupees. However, a part of our revenues is derived from export sales. In the Fiscals 2015, 2014 and 2013, our direct export sales were ₹ 2,032.32 million, ₹ 1,399.10 million and ₹ 1,129.16 million, respectively, and as a percentage of our total revenue, were 47.19%, 34.61% and 32.35%, respectively. Our export sales include certain indirect exports which consist of sales of our products within India for the purposes of manufacturing of vehicles and their subsequent export. These sales are accounted for as indirect export sales. In the Fiscals 2015, 2014 and 2013, our indirect export sales were ₹ 26.09 million, ₹ 34.20 million and ₹ 44.19 million, respectively, and as a percentage of our total revenue, were 0.61%, 0.85% and 1.27%, respectively.

The exchange rate between the Indian Rupee and the currencies in which we receive payments for such exports, i.e. primarily the USD and Euro, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. 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. As of March 31, 2015, we have availed 50% of our working capital borrowings in USD in the shape of packing credit which results in automatic hedging for export sales made in USD.

Presentation and disclosure of financial statements

The Ministry of Corporate Affairs notified revised Schedule VI under the Companies Act, 1956, and the same became applicable to us for preparation and presentation of our financial statements from the financial year starting from April 1, 2011. Accordingly, we have presented our financial statements as at and for the year ended March 31, 2012, along with the comparatives as at and for the year ended March 31, 2011, following the requirements of the revised Schedule VI. The adoption of the revised Schedule VI does not impact the recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on the presentation and disclosures made in the financial statements. We have prepared our restated financial statements along with related notes in accordance with the requirements of the Guidance Note on revised Schedule VI and have reclassified previous year figures accordingly.

Basis of preparation of our financial statements

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Significant accounting policies

While we believe that all aspects of our restated financial statements should be studied and understood in assessing our current and expected results of operations and financial condition, the following significant accounting policies warrant particular attention.

Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainly about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. The cost comprises purchase price and other directly attributable costs of bringing the assets to working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized.

Gain or losses arising from sale of fixed assets are measured as difference between the proceeds from disposed assets and carrying amount of assets and are recognized in the statement of profit and loss when the asset is sold.

Depreciation on tangible fixed assets

Depreciation on fixed assets is provided using the ‘Written Down Value Method’ as per rates prescribed under the Companies Act, 2013.

Inventories

Inventories are valued as follows:

A.	Stock of raw material & stores @ purchase price + direct expenses
B.	Value of stock of work in progress @ estimated cost price
C.	Stock of finished goods @ at estimated cost or market price, whichever is less

Revenue Recognition

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Our Company collects sales taxes and excise duty on behalf of the government and, therefore, these are not economic benefits flowing to our Company. Hence, they are excluded from revenue.

Interest

Interest income is recognized on Accrual basis & as per the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

Exchange differences

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized. All other exchange differences are recognized as income or as expenses in the period in which they arise.

Tax Expenses

Current income tax is measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961. Deferred tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods is accounted for using the tax rates and tax laws that are enacted or substantively enacted as on the balance sheet date.

Earnings per share

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders by the number of equity shares outstanding during the year.

Retirement and other benefits

Gratuity: Our Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act 1972. The scheme is funded with LIC of India.

Provident and other funds: The retirement benefits in the form of provident and superannuation funds are defined contribution schemes. The contribution to provident and superannuation funds are charged to the statement of profit and loss for the year when the employee renders the related service. Our Company has no obligation other that the contribution payable to the provident fund and superannuation fund.

Leave encashment: Our Company extends the benefit of leave encashment to its employees on yearly basis or accumulated leave at the time of retirement. This is an unfunded plan.

Impairment of assets

At each balance sheet date an assessment is made whether any indication exists that an assets has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of assets exceeds its recoverable amount is provided in the books of accounts. There is no impairment of assets

Borrowing Costs

All borrowing costs are recognized as an expense in the statement of profit and loss.

Description of Income and Expenditure Items

Income

Revenue from operations: Revenue from operations comprises income from manufacturing and supply of axles, shafts and spindles to our domestic and overseas customers. Revenue from operations accounted for 98.89%, 99.34% and 99.14% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively. Revenue from domestic sales accounted for 51.67%, 64.30% and 66.09% of our revenue from operations for the Fiscals 2015, 2014 and 2013, respectively. Revenue from direct and indirect export sales accounted for 48.33%, 35.70% and 33.91% of our revenue from operations for the Fiscals 2015, 2014 and 2013, respectively.

Export incentives: Export incentives comprise of duty draw back incentives which arise from the supply of axles, shafts and spindles to our overseas customers. Export incentives accounted for 0.98%, 0.60% and 0.82% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Other income: Our other income comprises interest income on our fixed deposits and rent received. Other income accounted for 0.13%, 0.06% and 0.04% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively. Other income typically constitutes a small portion of our total revenue.

Expenditure

Raw material consumed: Cost of raw material consumed is the cost relating to consumption of steel and non-steel billet which is the primary raw material for manufacturing axles, shafts and spindles. Other raw materials consumed as stores and spares include die steel, oil, lubricants, furnace oil, and packing materials. Cost of raw material consumed accounted for 68.13%, 68.75%, and 66.27% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Change in inventories of work in progress and finished goods: Change in inventories of work in progress and finished goods include (i) changes in the opening stock and closing stock of our finished goods which include axles, shafts and spindles (ii) changes in the opening stock and closing stock of our work in progress goods which include axles, shafts and spindles.

Employee benefit expenses: Employee benefit expenses comprise of directors' remuneration, salaries and wages, contribution to provident fund and employees' welfare and other amenities. Employee benefit expenses accounted for 4.83%, 4.78% and 4.62% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Finance costs: Finance costs comprise of interest on loans, cash and other credits and other borrowing costs. Finance cost accounted for 4.01%, 3.76% and 3.64% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Depreciation and amortization: Depreciation and amortization comprises of depreciation of tangible assets, including our building, plants and machinery, furniture, office equipment and vehicles. Depreciation and amortization accounted for 5.34%, 4.29% and 3.90% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Other expenses: Other expenses comprise of advertisement expenses, audit fees for statutory audits performed by our auditors, expenses relating to handling our tax matters, newspaper and periodicals, business promotion expenses, donation, legal expenses, printing and stationery, repairs and maintenance, telephone expenses, travelling expenses, office rent, office expenses, postage and courier, miscellaneous expenses and loss on sale of assets. Other expenses accounted for 16.34%, 14.90%, and 15.82% of our total revenue for the Fiscals 2015, 2014 and 2013, respectively.

Tax expenses: Tax expenses comprise the current tax and the deferred tax. In Fiscal 2015, we had a credit of ₹ 8.57 million on account of deferred tax benefit claimed during this period.

Results of Operations and Financial Condition

The following table sets forth selected data for the Fiscals 2015, 2014 and 2013, together with the percentage each line item represents of our total revenue for the periods presented.

Particulars	Fiscals					
	2015		2014		2013	
	Amount (₹ in million)	% of Total Revenue	Amount (₹ in million)	% of Total Revenue	Amount (₹ in million)	% of Total Revenue
Income						
Revenue from operations	4,258.67	98.89%	4,015.78	99.34%	3,460.66	99.14%
Export incentives	42.11	0.98%	24.24	0.60%	28.57	0.82%
Other income	5.66	0.13%	2.46	0.06%	1.28	0.04%
Total Revenue	**4,306.44**	**100.00%**	**4,042.48**	**100.00%**	**3,490.51**	**100.00%**
Expenses						
Raw material consumed	2,934.04	68.13%	2,779.21	68.75%	2,313.07	66.27%
Change in inventories	(148.94)	(3.46%)	(42.20)	(1.04%)	24.51	0.70%
Employee benefit expenses	208.06	4.83%	193.10	4.78%	161.16	4.62%
Other expenses	703.46	16.34%	602.20	14.90%	552.13	15.82%
Depreciation and Amortisation	229.82	5.34%	173.62	4.29%	136.25	3.90%
Finance costs	172.59	4.01%	151.88	3.76%	127.08	3.64%
Total Expenses	**4,099.03**	**95.18%**	**3,857.81**	**95.43%**	**3,314.20**	**94.95%**
Profit before tax	**207.41**	**4.82%**	**184.67**	**4.56%**	**176.31**	**5.05%**
Tax Expenses						
Current tax	(57.50)	1.34%	(39.10)	0.97%	(48.60)	1.39%
Deferred tax (Credit) Charge	66.07	(1.53%)	(12.92)	0.32%	(79.57)	2.28%
Total Tax Expenses	8.57	0.20%	(52.02)	1.29%	(128.17)	3.67%
Restated Profit for the Period	**215.98**	**5.02%**	**132.65**	**3.28%**	**48.14**	**1.38%**

Fiscal 2015 compared to Fiscal 2014

Our total revenue increased by ₹ 263.96 million to ₹ 4,306.44 million for the Fiscal 2015 from ₹ 4,042.48 million for the Fiscal 2014, or an increase of 6.53%. The increase was primarily due to an increase in revenue from operations.

Revenue from operations

Revenue from operations increased by ₹ 242.89 million to ₹ 4,258.67 million for the Fiscal 2015 from ₹ 4,015.78 million for the Fiscal 2014, or an increase of 6.05%. The increase was primarily attributable to an increase in our export sales, which was partially offset by a decrease in our domestic sales. Export sales increased by ₹ 625.11 million to ₹ 2,058.41 million for the Fiscal 2015 from ₹ 1,433.30 million for the Fiscal 2014, or an increase of 43.61%, primarily due to sales under a long term agreement to an overseas customer entered into during this period. However, domestic sales decreased by ₹ 382.22 million to ₹ 2,200.26 million in the Fiscal 2015 from ₹ 2,582.48 million in the Fiscal 2014, or a decrease of 14.80%. This was due to reduction in demand in the agricultural tractor segment in India.

Export incentives

Export incentives increased by ₹ 17.87 million to ₹ 42.11 million for the Fiscal 2015 from ₹ 24.24 million for the Fiscal 2014, or an increase of 73.72% which was primarily attributable to increase in our export sales.

Other income

Other income increased by ₹ 3.20 million to ₹ 5.66 million for the Fiscal 2015 from ₹ 2.46 million for the Fiscal 2014, or an increase of 130.08%. The increase was primarily attributable to interest income on our security deposits with the Punjab State Electricity Board.

Raw material consumed

Raw material consumed increased by ₹ 154.83 million to ₹ 2,934.04 million for the Fiscal 2015 from ₹ 2,779.21 million for the Fiscal 2014, or an increase of 5.57%. This increase was primarily due to increase in production during the year to meet the increased overseas demand.

Change in inventories

The quantum of change in inventories increased by ₹ 106.74 million to ₹ 148.94 million for the Fiscal 2015 from ₹ 42.20 million for the Fiscal 2014, or an increase of 252.94%. The increase was attributable to increase in production volumes during Fiscal 2015.

Employee benefits expenses

Employee benefits expenses increased by ₹ 14.96 million to ₹ 208.06 million for the Fiscal 2015 from ₹ 193.10 million for the Fiscal 2014, or an increase of 7.75 %. The increase was primarily attributable to general increase in salaries and wages.

Finance costs

Finance costs increased by ₹ 20.71 million to ₹ 172.59 million for the Fiscal 2015 from ₹ 151.88 million for the Fiscal 2014, or an increase of 13.64 %. This increase was primarily attributable to increases in term loan availed towards capital expenditure and other borrowing costs.

Depreciation and amortisation

Depreciation and amortisation increased by ₹ 56.20 million to ₹ 229.82 million for the Fiscal 2015 from ₹ 173.62 million for the Fiscal 2014, or an increase of 32.37%. This increase was primarily attributable to increase in depreciation on tangible assets on account of capital expenditure incurred during the year towards purchase of machinery.

Other expenses

Other expenses increased by ₹ 101.26 million to ₹ 703.46 million for the Fiscal 2015 from ₹ 602.20 million for the Fiscal 2014, or an increase of 16.82%. This increase was primarily attributable to increase in export packing and forwarding expenses.

Net profit before tax

Net profit before tax increased by ₹ 22.74 million to ₹ 207.41 million for the Fiscal 2015 from ₹ 184.67 million for the Fiscal 2014, or an increase of 12.31%.

Tax expenses

Tax expenses decreased by ₹ 60.59 million to a credit of ₹ 8.57 million for the Fiscal 2015 from an expense of ₹ 52.02 million for the Fiscal 2014, or a decrease of 116.47%. This is mainly due to write back of deferred tax of ₹ 66.07 million for the Fiscal 2015. Current tax increased by ₹ 18.40 million to ₹ 57.50 million for the Fiscal 2015 from ₹ 39.10 million for the Fiscal 2014, or an increase of 47.06%.

Profit after tax

As a result of the foregoing, profit after tax increased by ₹ 83.33 million to ₹ 215.98 million for the Fiscal 2015 from ₹ 132.65 million for the Fiscal 2014, or an increase of 62.82%.

Fiscal 2014 compared to Fiscal 2013

Our total revenue increased by ₹ 551.97 million to ₹ 4,042.48 million for the Fiscal 2014 from ₹ 3,490.51 million for the Fiscal 2013, or an increase of 15.81%. The increase was primarily due to an increase in revenue from operations.

Revenue from operations

Revenue from operations increased by ₹ 555.12 million to ₹ 4,015.78 million for the Fiscal 2014 from ₹ 3,460.66 million for the Fiscal 2013, or an increase of 16.04%. The increase was attributable to an increase of export sales by ₹ 259.95 million to ₹ 1,433.30 million for the Fiscal 2014 from ₹ 1,173.35 million for the Fiscal 2013, or an increase of 22.15% from sale of products to the overseas customers and an increase of ₹ 295.17 million in the domestic sales to ₹ 2,582.48 million for the Fiscal 2014 from ₹ 2,287.31 million for the Fiscal 2013, or an increase of 12.90%.

Export incentives

Export incentives decreased by ₹ 4.33 million to ₹ 24.24 million for the Fiscal 2014 from ₹ 28.57 million for the Fiscal 2013, or a decrease of 15.16% mainly due to discontinuation of 'Duty Entitlement Pass Book' export incentive scheme by the Government.

Other income

Other income increased by ₹ 1.18 million to ₹ 2.46 million for the Fiscal 2014 from ₹ 1.28 million for the Fiscal 2013, or an increase of 92.19%. The increase was primarily attributable to interest income on our fixed deposits.

Raw material consumed

Raw material consumed increased by ₹ 466.14 million to ₹ 2,779.21 million for the Fiscal 2014 from ₹ 2,313.07 million for the Fiscal 2013, or an increase of 20.15%. The increase was primarily attributable to the increase in production during the year.

Change in inventories

In Fiscal 2014, our inventories increased by ₹ 42.20 million compared to an overall decrease in inventories during Fiscal 2013 of ₹ 24.51 million. The increase was primarily attributable to increase in production volume in Fiscal 2014.

Employee benefits expenses

Employee benefits expenses increased by ₹ 31.94 million to ₹ 193.10 million for the Fiscal 2014 from ₹ 161.16 million for the Fiscal 2013, or an increase of 19.82 %. The increase was primarily attributable to general increase in salaries and wages.

Finance costs

Finance costs increased by ₹ 24.80 million to ₹ 151.88 million for the Fiscal 2014 from ₹ 127.08 million for the Fiscal 2013, or an increase of 19.52 %. This increase was primarily attributable to increases in term loan availed towards capital expenditure and other borrowing costs.

Depreciation and amortisation

Depreciation and amortisation increased by ₹ 37.37 million to ₹ 173.62 million for the Fiscal 2014 from ₹ 136.25 million for the Fiscal 2013, or an increase of 27.43%. This increase was primarily attributable to increase in depreciation on tangible assets on account of capital expenditure incurred during the year including on factory building, plant and machinery and other equipments.

Other expenses

Other expenses increased by ₹ 50.07 million to ₹ 602.20 million for the Fiscal 2014 from ₹ 552.13 million for the Fiscal 2013, or an increase of 9.07%. This increase was primarily attributable to increase in export packing and forwarding expenses and freight and cartage expenses.

Net profit before tax

Net profit before tax increased by ₹ 8.36 million to ₹ 184.67 million for the Fiscal 2014 from ₹ 176.31 million for the Fiscal 2013, or an increase of 4.74%.

Tax expenses

Tax expenses decreased by ₹ 76.15 million to ₹ 52.02 million for the Fiscal 2014 from ₹ 128.17 million for the Fiscal 2013, or a decrease of 59.41%. This was primarily due to lower deferred tax provision during the Fiscal 2014 amounting to ₹ 12.92 million as compared to ₹ 79.57 million for the Fiscal 2013. Current tax decreased by ₹ 9.50 million to ₹ 39.10 million for the Fiscal 2014 from ₹ 48.60 million for the Fiscal 2013, or a decrease of 19.55%.

Profit after tax

As a result of the foregoing, our profit after tax increased by ₹ 84.15 million to ₹ 132.65 million for the Fiscal 2014 from ₹ 48.14 million for the Fiscal 2013, or an increase of 175.55%.

Liquidity and Capital Resources

Cash and cash equivalents consist of cash in hand, checks in hand and bank balances, including balances in current accounts and fixed deposits. Our primary liquidity requirements have been towards our working capital requirements. We have met these requirements from cash flows from operations, and short-term and long-term borrowings. Our business requires a significant amount of working capital. We expect to meet our working capital requirements for the next 12 months primarily from the proceeds of this Offer, the cash flows from our business operations and working capital borrowings from banks as may be required.

Cash Flows

Set forth below is a table of selected information from our statements of cash flow for the Fiscals 2015, 2014 and 2013.

Particulars	**Fiscal**		
	2015	**2014**	**2013**
	Amount (₹ in million)		
Net cash generated from operating activities	270.07	359.28	401.08
Net cash used in investing activities	(144.58)	(608.73)	(543.21)
Net cash generated from/ (used in) financing activities	(126.48)	239.72	148.89
Net increase/(decrease) in cash and bank balances	(0.99)	(9.73)	6.76

Cash flow from operating activities

Net cash generated from operating activities was ₹ 270.07 million for the Fiscal 2015 and consisted of net profit before tax of ₹ 207.41 million, as adjusted for (i) non-cash items, depreciation expenses of ₹ 229.82 million on account of purchase of machinery as part of capital expenditure and tangible assets; (ii) interest paid of ₹ 160.57 million, partially offset by interest received of ₹ 5.60 million; (iii) working capital changes, primarily due to increases in trade receivables of ₹ 105.06 million, increase in inventories of ₹ 306.90 million on account of raw material purchases and increase in short term loans and advances of ₹ 67.29 million, partially offset by increase in trade payables of ₹ 253.64 million arising from increased sales during this period.

Net cash generated from operating activities was ₹ 359.28 million for the Fiscal 2014 and consisted of net profit before tax of ₹ 184.67 million, as adjusted for (i) non-cash items, depreciation expenses of ₹ 173.63 million on account of increase in machinery as part of capital expenditure and tangible assets; (ii) interest paid of ₹ 145.38 million, partially offset by interest received of ₹ 2.36 million; and (iii) working capital changes, primarily due to increases in trade receivables of ₹ 247.29 million and, increase in inventories of ₹ 82.97 million and decreases in short term loans and advances of ₹ 116.83 million, partially offset by increases in trade payables of ₹ 142.23 million arising from increased sales during this period.

Net cash generated from operating activities was ₹ 401.08 million for the Fiscal 2013 and consisted of net profit before tax of ₹ 176.31 million, as adjusted for (i) non-cash items, depreciation expenses of ₹ 136.25 million on account of increase in machinery as part of capital expenditure and tangible assets; (ii) interest paid of ₹ 117.63 million, partially offset by interest received of ₹ 1.19 million; and (iii) working capital changes, primarily due to marginal increase in trade receivables of ₹ 18.43 million, increase in short term loans and advances of ₹ 30.76

million, an increase in other current assets of ₹ 41.68 million and decrease in short term provisions of ₹ 41.40 million, partially offset by increase in trade payables of ₹ 145.52 million, decrease in other current liabilities of ₹ 3.68 million ; and (iv) income tax paid of ₹ 48.60 million.

Cash flow from investing activities

Net cash used in investing activities was ₹ 144.58 million in the Fiscal 2015, primarily due to capital expenditure on fixed assets including factory building, plant and machinery and other equipments, including capital advances of ₹ 136.72 million, partially offset by interest received on fixed deposit receipts of ₹ 5.60 million.

Net cash used in investing activities was ₹ 608.73 million in the Fiscal 2014, primarily due to capital expenditure on fixed assets including factory building, plant and machinery and other equipments, including long term loans and advances of ₹ 501.53 million and increase in long term loans and advances ₹ 111.86 million partially offset by interest received on fixed deposit receipts of ₹ 2.36 million and the sales of fixed assets of ₹ 2.20 million.

Net cash used in investing activities was ₹ 543.21 million in the Fiscal 2013, primarily due to capital expenditure on fixed assets including factory building, plant and machinery and other equipmentsof ₹ 548.06 million, partially offset by interest received on fixed deposit receipts of ₹ 1.19 million.

Cash flow used in financing activities

Net cash used in financing activities was ₹ 126.48 million in the Fiscal 2015 and consisted of proceeds from long term borrowings of ₹ 133.56 million and increase in cash credits and packing credits of ₹ 112.26 million, partially offset by interest paid of ₹ 160.57 million and repayment of long term borrowings of ₹ 211.73 million.

Net cash generated from financing activities was ₹ 239.72 million in the Fiscal 2014 and consisted preliminary of proceeds from long term borrowings of ₹ 487.78 million, partially offset by interest paid of ₹ 145.37 million and repayment of long term borrowings of ₹ 108.11 million.

Net cash generated from financing activities was ₹ 148.89 million in the Fiscal 2013 and consisted primarily of proceeds from long term borrowings of ₹ 280.71 million and increase in cash credits and packing credits of ₹ 105.92 million, partially offset by interest paid of ₹ 117.63 million and repayment of long term borrowings of ₹ 120.11 million.

Historical and Planned Capital Expenditure

We need to make investments in fixed assets on a regular basis. For the Fiscals 2015, 2014 and 2013, we purchased tangible fixed assets of ₹ 136.72 million, ₹ 501.53 million and ₹ 548.06 million, respectively, consisting of factory building, plant and machinery and other fixed assets like computers, furniture and fixtures and office equipments.

We further plan to expand our production capacity by incurring additional capital expenditure amounting to ₹ 748.99 million for purchase of plant and machinery. For further details, please see the section entitled “Objects of the Issue” on page 68.

Indebtedness

As of March 31, 2015, our total borrowings were ₹ 1,532.17 million comprising long term borrowings (including current and non-current portion of long term borrowings) and short term borrowings. The following table summarizes our consolidated long-term and short-term indebtedness as of March 31, 2015.

Our Indebtedness	As of March 31, 2015 (₹ in millions)
Short-term Borrowings	
Secured	691.88
Unsecured	-

Our Indebtedness	As of March 31, 2015 (₹ in millions)
Long-term Borrowings	
Non Current portion of Long Term Borrowings	605.80
Current portion of Long Term Borrowings	
Secured:	212.80
Unsecured:	21.69
Total	1,532.17

There are a number of covenants in the financing agreements we have entered into with our lenders, such as:

- Maintaining certain financial covenants including current asset cover;
- Submission of financial statements to our lenders, within a specified period;
- Notification to our lenders to create or issue share capital;
- Ensuring that all goods, book debts, movables and other security created are fully insured against any loss or damage at our Company's risk and expense.

Some of our financing agreements include conditions and covenants that require us to obtain lender consents, prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business. Typically, we require, and may be unable to obtain, lender consents to incur additional secured debt, issue equity, change our capital structure, undertake any major expansion, change our management structure or merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements.

Trade Receivables

Trade receivables represent receivables from domestic and export sales of components. Our general credit terms provide for payment within 60-90 days from the date of receipt/consumption for export sales and 60 days from the date of receipt for the domestic sales.

Our trade receivables comprise: (i) unsecured, considered good outstanding for a period exceeding six months from the date they are due for payment which increased to ₹ 61.21 million as of March 31, 2015 from ₹ 29.64 million as of March 31, 2014 primarily due to increase in export sales and longer payment cycle in export sales, and (ii) unsecured, considered good outstanding for a period less than six months from the date they are due for payment which increased to ₹ 1,157.31 million as of March 31, 2015 from ₹ 1,083.82 million as of March 31, 2014 primarily due to increase in export sales and longer payment cycle in export sales.

Trade Payables

Depending on the product or service, we typically obtain credit terms of between 90 to 120 days from suppliers.

Our trade payables primarily comprise sundry creditors (including amounts payable against stores, job work services, steel, etc.) which increased to ₹ 1,477.97 million as of March 31, 2015 from ₹ 1,224.33 million as of March 31, 2014 primarily due to increased volumes of sales.

Contingent Liabilities, Contractual Obligations, Commitments and Other Off-balance Sheet Arrangements

As of March 31, 2015, we had the following contingent liabilities:

	As of March 31, 2015 (₹ in millions)
Sales Tax Liabilities	19.55
Income Tax	1.43
Excise and Service Tax	6.28
EPCG Pending Duty in lieu of Import	6.74

Related Party Transactions

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions could be for provision of services, intercompany loans, lease or purchase of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see the section entitled "Financial Statements ─ Annexure XXI" on page 203.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk, commodity risk, credit risk, inflation risk and foreign currency exchange risk.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates. Our long term borrowings from banks are on floating rate basis linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. Increases in interest rates would increase interest expenses relating to our outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect our ability to service long-term debt, which in turn may adversely affect our results of operations. We do not have a policy to enter into hedging arrangements against interest rate fluctuations.

Commodity Price Risk

We are exposed to market risk with respect to the prices of the materials used for our business. These commodities include steel and non-steel billets which is a primary raw material for the products manufactured at our facilities. The costs for these materials are based on commodity prices and subject to fluctuations. The costs of components sourced from outside manufacturers may also fluctuate based on their availability from suppliers.

Foreign Currency Exchange Rate Risk

Although our Company's reporting currency is in Indian Rupees, we transact a significant portion of our business in several other currencies. Approximately 48.33% and 35.70% of our revenue from operations in Fiscal 2015 and the Fiscal 2014, respectively, were derived from export sales. Substantially all of our revenues from export sales are denominated in foreign currencies, primarily in U.S. Dollars, Euros and GBP. Further, we continue to incur non-Indian Rupee indebtedness in the form of foreign currency denominated borrowings and packing credit, which creates foreign currency exposure in respect of our cash flows and ability to service such debt.

We also import machinery and equipments used in our manufacturing facilities. The prices we pay for these imports are denominated in foreign currencies, predominantly in U.S. Dollars. In addition, a portion of our other operating expenses are denominated in U.S. Dollars or other foreign currencies.

Therefore, our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge. We may be affected by significant fluctuations in the exchange rates between the Indian rupee and other currencies.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or Infrequent Events or Transactions

Except as described in sections entitled "Risk Factors" and "Our Business", on pages 16 and 114, respectively, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been impacted and we expect will continue to be impacted by the trends identified above under 'Factors Affecting our Results of Operations' and the uncertainties described in the section entitled "Risk Factors" on page 16. To our knowledge, except as described in this Draft Red Herring Prospectus, there are no known factors, which are expected to have a material adverse impact on our revenues or income from continuing operations.

Significant Development after March 31, 2015 that May Affect Our Future Results of Operations

In June 2015, our Company has incorporated a wholly owned subsidiary GNA Axles Inc. in West Bloomfield, Michigan, USA to facilitate the supply of goods to Dana Limited. Since GNA Axles Inc. has been incorporated subsequent to the date of the financial statements of our Company included in this Draft Red Herring Prospectus, the financial statements of GNA Axles Inc. have not been consolidated with our financial results as yet.

To our knowledge, except as above and as otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The outstanding litigation involving our Company and its Promoters, Directors, Subsidiary and Group Companies, which individually exceeds five per cent of the net profit of our Company as per the audited and restated financial statements for the most recent financial year would be considered as material. In accordance with the Restated Financial Statements for Fiscal 2015, the net profit of our Company was ₹ 215.98 million. Accordingly, we have disclosed outstanding litigation involving our Company and its Promoters, Directors, Subsidiary and Group Companies, individually for litigations with aggregate amount involved exceeding ₹ 10.79 million and for all litigations below such amount, we have provided summary and indicative disclosure. In relation to criminal proceedings, actions by statutory/ regulatory authorities and taxation, no materiality threshold has been applied and taxation matters have been disclosed in a consolidated manner (separately for direct and indirect taxes).

Dues owed by our Company to small scale undertakings and other creditors, which exceed five per cent of our total outstanding dues as at March 31, 2015 (being dues exceeding ₹ 73.90 million) and, on March 31, 2015, any dues which had remained outstanding past their respective repayment dates have been considered as material dues for the purposes of disclosure in this section.

I. Litigation involving our Company

Litigation filed against our Company

Tax Proceedings:

Direct Tax proceedings:

1. A search and seizure operation was conducted under Section 132 of the IT Act on January 19, 2011 on GNA group including our Company (the **"Search and Seizure"**) for the assessment year 2005-2006 to assessment year 2012-2013 (the "**Assessment Years**"). Our Company received assessment orders along with demand notices for the Assessment Years from the Assistant Commissioner of Income Tax, Central Circle-I, Jalandhar ("**ACIT**"). The ACIT disallowed, amongst other things, (i) expenses incurred in relation to foreign tour by all persons not being a Director or an employee of our Company, being non-business related expenditure; and (ii) 25% of the total expenses on car running and maintenance along with depreciation on cars being used by the Directors and their family members for personal use; and the same were added to the total income of our Company. Our Company has filed appeals before various authorities against the assessment orders of the ACIT. Further, in relation to some of the matters our Company has filed applications for the matters to be kept in abeyance before the Deputy Commissioner (Appeals) of Income-Tax (the "**DCIT**"). The aggregate amount involved in the matters is ₹ 7.82 million. These matters are currently pending.

Indirect Tax Proceedings:

1. Our Company has received 16 show cause notices from the Assistant Commissioner, Central Excise Division, Phagwara, Deputy Commissioner, Central Excise Division, Phagwara and Superintendent, Central Range-I, 18 C Model Town, Phagwara, demanding payment of CENVAT credit wrongfully availed by our Company and penalty thereof, under Central Excise Tariff Act, 1985 read with CENVAT Credit Rules, 2004. In some of these matters, our Company has filed appeals before various adjudicating authorities. The aggregate amount involved is ` 5.48 million. These matters are currently pending.

Litigation filed by our Company

There are no litigations filed by our Company.

Inquiries, inspections or investigations under the Companies Act

There have been no inquiries, inspections or investigations under the Companies Act against our

Company.

Material Frauds against our Company

There have been no material frauds committed against our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Outstanding dues to Creditors

Our Board considers net outstanding dues exceeding ` 73.90 million to small scale undertakings and other creditors as material ("**Material Creditors**").

Material Creditors	Number of Material Creditors	Amount involved (in ` million)
Small scale undertakings	Nil	Nil
Other Creditors	3	813.55
Total	**3**	**813.55**

The details pertaining to net outstanding dues towards our Material Creditors are available on the website of our Company at http://gnagroup.com/investor-relations/. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, http://gnagroup.com/investor-relations/, would be doing so at their own risk.

There are no pending cases with such Material Creditors.

Disciplinary action taken by SEBI or recognised stock exchanges

There has been no disciplinary action taken by SEBI or recognised stock exchanges against our Company.

Litigation or legal action pending or taken by any ministry or government department or statutory authority against the Company in the last five years

There has been no litigation or legal action pending or taken by any ministry or government department or statutory authority against the Company in the last five years.

II. Litigation involving the Subsidiary

Litigation filed against our Subsidiary

There are no outstanding litigations filed against our Subsidiary.

Material Frauds against our Company

There have been no material frauds committed against our Subsidiary in the five years preceding the date of this Draft Red Herring Prospectus.

III. Litigation involving the Promoters

Litigation filed against Jasvinder Singh Seehra

Civil cases

1. M/s Shreeyam Power and Steel Industries Limited (the "**Petitioner**") had filed a recovery suit dated October 29, 2014 before Civil Judge Class – I, Indore, against GNA Udyog Limited, Gursaran Singh, Rachhpall Singh, Ranbir Singh, Gurdeep Singh, Maninder Singh Seehra, Jasvinder Singh Seehra and Rupinder Singh (the "**Respondents**") for the recovery of ₹ 8.2 million along with interest from GNA Udyog Limited to which it had supplied material (the "**Petition**"). The Respondents have filed a reply to the Petition. The matter is currently pending.

Income Tax Proceedings

1. Jasvinder Singh Seehra has received six demand notices and assessment orders from Assistant Commissioner of Income Tax, Central Circle – I, Jalandhar for various assessment years demanding an aggregate sum of ₹ 0.82 million. Jasvinder Singh Seehra has filed appeals against the aforesaid assessment orders before the Commissioner of Income Tax (Appeals), Ludhiana (the "**CIT**") on April 5, 2013 contesting the assessment orders. These matters are currently pending.

Litigation filed against Gurdeep Singh

Civil cases

1. Our Promoters, Gurdeep Singh and Ranbir Singh, have been made party to a recovery suit filed by Shreeyam Power and Steels Limited against GA Udyog Limited before the Civil Judge Class – I, Indore. For further details please see the section entitled "– Civil cases – Litigation filed against Jasvinder Singh Seehra" on page 232.

Income-Tax proceedings:

2. Gurdeep Singh has received six demand notices and assessment orders from Assistant Commissioner of Income Tax, Central Circle – I, Jalandhar for various assessment years demanding an aggregate sum of ₹ 0.53 million. Gurdeep Singh has filed appeals against the aforesaid assessment orders before the Commissioner of Income Tax (Appeals), Ludhiana (the "**CIT**") on April 5, 2013 contesting the assessment orders. These matters are currently pending.

Litigation filed against Ranbir Singh

Civil cases

1. Our Promoters, Gurdeep Singh and Ranbir Singh, have been made party to a recovery suit filed by Shreeyam Power and Steels Limited against GNA Udyog Limited before the Civil Judge Class – I, Indore. For further details please see the section entitled "– Civil cases – Litigation filed against Jasvinder Singh Seehra" on page 232.

Income-Tax Proceedings:

1. Ranbir Singh has received six demand notices and assessment orders from Assistant Commissioner of Income Tax, Central Circle – I, Jalandhar for various assessment years demanding an aggregate sum of ₹ 0.94 million. Ranbir Singh has filed appeals against the aforesaid assessment orders before the Commissioner of Income Tax (Appeals), Ludhiana (the "**CIT**") contesting the assessment orders. These matters are currently pending.

Disciplinary action taken by SEBI or recognised stock exchanges

There have been no disciplinary action taken by SEBI or any recognised stock exchanges against our Promoters.

Litigation or legal action pending or taken by any ministry or government department or statutory authority against the Promoters during the last five years

Except as disclosed above, there are no litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoters during the last five years.

Defaults to the financial institutions or banks

There are no defaults to the financial institutions or banks.

IV. Litigation involving our Group Companies

GNA Duraparts Limited

Direct tax proceedings

1. GNA Duraparts Limited has received demand notices and assessment orders from Assistant Commissioner of Income Tax – Central Circle 1, Jalandhar, for assessment years 2008-09 to 2012-13. GNA Duraparts Limited has filed appeals before Commissioner of Income Tax (appeals) Ludhiana in respect of these demand notices. The amount involved in these matters is ₹ 2.88 million. These matters are currently pending.

Indirect tax proceedings

1. GNA Duraparts Limited has received eight show cause notices from the Assistant Commissioner, Central Excise Division, Phagwara, Deputy Commissioner, Central Excise Division, Phagwara and Superintendent, Central Range-I, 18 C Model Town, Phagwara, demanding payment of CENVAT credit wrongfully availed by our Company and penalty thereof, under Central Excise Tariff Act, 1985 read with CENVAT Credit Rules, 2004. The amount involved is ₹ 4.48 million. These matters are currently pending.

2. The Additional Excise and Taxation Commissioner cum Revisional authority Punjab had passed an order dated December 1, 2014 for assessment year 2006-2007 against GNA Duraparts Limited in relation to some amounts being disallowed due to overwriting and manual corrections made by its customers (the "**Order**"). An appeal has been filed before Sales Tax/VAT Tribunal, Punjab against the Order. The aggregate amount involved in the case is ₹ 8.59 million. The matter is currently pending.

3. The Excise and Taxation Officer cum Designated Officer, Goraya, Jalandhar – 1 had passed an order for the assessment year 2008-2009 under the provision of Punjab VAT Act, 2005 and Central Sales Tax Act, 1956 against GNA Duraparts Limited in relation to the regular assessment carried our by the relevant authority (the "**Order**"). An appeal has been filed before the Deputy Excise and Taxation Commissioner (appeals), Jalandhar Division against the Order. The amount involved in matter is ₹ 2.03 million. The matter is currently pending.

GNA Udyog Limited

Litigations against GNA Udyog Limited

1. M/s Shreeyam Power and Steel Industries Limited (the "**Petitioner**") had filed a recovery suit dated October 29, 2014 before Civil Judge Class – I, Indore, against GNA Udyog Limited, Gursaran Singh, Rachhpall Singh, Ranbir Singh, Gurdeep Singh, Maninder Singh Seehra, Jasvinder Singh Seehra and Rupinder Singh (the "**Respondents**") for the recovery of ₹ 8.2 million along with interest from GNA Udyog Limited to which it had supplied material (the "**Petition**"). The Respondents have filed a reply to the Petition. The matter is currently pending.

2. Various persons and entities have filed 10 complaints against GNA Udyog before various courts of adjudication, in accordance with the provisions of Section 138 of the Negotiable Instruments Act, 1881, for the dishonour of cheques issued to such third parties by GNAUL. The aggregate amount involved is approximately ₹ 4.74 million. These matters are currently pending at various stages of adjudication.

3. Various persons and entities have filed 13 recovery suits against GNA Udyog Limited before various courts of adjudication for recovery of dues from GNA Udyog Limited. The aggregate amount involved is approximately ₹ 25.35 million. These matters are currently pending at various stages of adjudication.

Direct tax proceedings

1. GNA Udyog Limited has received demand notices and assessment orders from Assistant Commissioner of Income Tax – Central Circle 1 Jalandhar for assessment years 2005-2006 to 2012-2013. GNA Udyog Limited has filed appeals before Commissioner of Income Tax (appeals), Ludhiana (the "**CIT**") and the Income Tax Appellate Tribunal. The aggregate amount involved in the matters is ₹ 2.44 million. These matters are currently pending.

Dues towards debt instrument holders, fixed deposits and arrears on cumulative preference shares

There are no dues towards debt instrument holders, fixed deposits and arrears on cumulative preference shares owed by the Company.

V. Litigation involving our Directors

Civil Cases

For details of civil cases filed against our Directors, Rachhpall Singh, Ranbir Singh, Gurdeep Singh, Jasvinder Singh Seehra and Gursaran Singh, please see the section entitled " – Civil cases – Litigation filed against Jasvinder Singh Seehra" on page 232.

VI. Material Developments

For details of material developments, please see the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 218.

GOVERNMENT AND OTHER APPROVALS

A. Approvals in relation to the Issue

1. In-principle approval from BSE dated [●].

2. In-principle approval from NSE dated [●].

B. Approvals for our Company

Our Company is required to obtain various approvals, licenses, registrations and permits issued by the relevant Central and State regulatory authorities under various laws, rules and regulations to undertake our business.

Such approvals include licenses required under the Factories Act, 1948, environmental approval including the consent to operate under the Air (Prevention and Control of Pollution) Act, 1981, consent to operate under the Water (Prevention and Control of Pollution) Act, 1974, approvals for import and export of products, labour related approvals and tax related approvals.

The key approvals, licenses, registrations, and permits obtained by us, which enable us to undertake our business, are set out below:

Incorporation details

1. Certificate of incorporation dated September 6, 1993 issued by the RoC to our Company.

2. Certificate of commencement of business dated April 5, 1994 issued by the RoC to our Company.

Tax related approvals

1. Certificate of service tax registration bearing number AAACG8506CST001.

2. The permanent account number of our Company is AAACG8506C.

3. The tax deduction account number of our Company is JLDG00288D.

4. The central excise registration number of our Company for our operations at the Mehtiana facility is AACC8872EEM001, issued in accordance with the Central Excise Rules, 2002.

5. The central excise registration number of our Company for our operations at the Gulabgarh Jattan facility is AAACG8506CEM003, issued in accordance with the Central Excise Rules, 2002.

6. The tax payer identification number of our Company is 03661037396 under the Central Sales Tax (Registration & Turnover) Rules, 1957.

7. The registration number granted to our Company for our operations at Mehtiana facility by Office of the Assistant Excise and Taxation Commissioner, Hoshiarpur under the Punjab General Sales Tax Act, 1948 is 03661037396.

Establishment, business and employment related approvals

1. Certificate granting permission to our Company for our operations at Gulabgarh Jattan facility to start electrical installation granted bearing number 009895 dated January 22, 2015 issued by Chief Electrical Inspector, Government of Punjab, Patiala under the Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010 valid until January 21, 2016.

2. Certificate granting permission to our Company for our operations at Gulabgarh Jattan facility to start electrical installation granted bearing number 124 dated February 25, 2014 issued by Chief Electrical Inspector, Government of Punjab, Patiala under the Central Electricity

Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010 valid for the year 2015.

3. Certificate granting permission to our Company for our operations at Mehtiana facility to start electrical installation granted bearing number 001584 dated May 18, 2015 issued by Chief Electrical Inspector, Government of Punjab, Patiala under the Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010 valid for the year 2015.

4. Certificate of Importer Exporter Code bearing number 3094001891 dated June 19, 1994 issued by Office of Joint Director of Foreign Trade, Ministry of Commerce and Industry, Government of India.

5. ISO/TS 16949:2009 certificate bearing number 0158196 dated March 5, 2013 granted by TUV Rheinland Cert GmbH for the Mehtiana facility for the manufacture of rear axle shafts, spindles and transmission shafts for automotive application – without product design and development valid until March 4, 2016.

6. ISO/TS 16949:2009 certificate number 0158494 dated March 6, 2013 granted by TUV Rheinland Cert GmbH the Gulabgarh Jattan facility for the manufacture of rear axle shafts, spindles and transmission shafts for automotive application – without product design and development valid until March 5, 2016.

7. Allotment Letter for allotment of Employee's Provident Fund Code bearing number LDJAL0014018 dated January 30, 2015 issued by the Employee Provident Fund Organisation under Employee's Provident Fund Scheme, Employee's Pension Scheme 1995, Employee's Deposit Linked Insurance Scheme 1976.

8. Associate member of EEPC India bearing number EEPC/JAL/OS/RCMC/2015/1565 dated May 9, 2015 valid until March 31, 2016.

Pending Approvals

Approvals applied for, but not received

Certain material approvals that are required to be obtained by our Company for undertaking its business have elapsed in their normal course and our Company has either made an application to the relevant Central or State government authorities for renewal of such approvals, licenses, registrations and permits or is in the process of making such applications. The following applications are pending before the relevant authorities:

1. Application for renewal of factory license for the Mehtiana facility for a period of five years (2015-2019) made to Deputy Director of Factories, Phagwara dated November 22, 2014 in accordance with the provisions of the Factories Act, 1948.

2. Application for renewal of factory license for the Gulabgarh Jattan facility for a period of five years (2015-2019) made to Deputy Director of Factories, Phagwara dated November 20, 2014 in accordance with the provisions of the Factories Act, 1948.

3. Application for renewal of the no objection certificate made to the Fire Station Officer, Hoshiarpur dated April 22, 2015 for the Mehtiana facility.

4. Application for renewal of the no objection certificate made to the Fire Station Officer, Phagwara dated April 22, 2015 for the Gulabgarh Jattan facility.

5. Application for renewal of the consent to operate the Mehtiana facility dated February 2, 2015 to the Punjab Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974.

6. Application for renewal of the consent to operate the Mehtiana facility dated February 2, 2015 to the Punjab Pollution Control Board under the Air (Prevention and Control of Pollution) Act, 1981.

7. Application for authorization to Punjab Pollution Control Board dated April 21, 2015 under Rule 5 of the Hazardous Wastes (Management, Handling and Trans-boundary Movement) Rules, 2008 for the Mehtiana facility.

8. Application for renewal of the consent to operate the Gulabgarh Jattan facility dated July 8, 2015 to the Punjab Pollution Control Board under the Water (Prevention and Control of Pollution) Act, 1974.

9. Application for renewal of the consent to operate the Gulabgarh Jattan facility dated July 8, 2015 to the Punjab Pollution Control Board under the Air (Prevention and Control of Pollution) Act, 1981.

Approvals for which applications are yet to be made

Certain consents, licenses, registrations, permissions and approvals may have elapsed in their normal course and our Company undertakes to obtain all consents, approvals, licenses, registrations and permissions required to operate its business. Some of the material consents, licenses, registrations, permission and approvals that have elapsed for which applications are yet to be made by our Company include:

1. Renewal of Certificate of Recognition as Star Export House bearing number JB/0216 issued on April 1, 2013 by Ministry of Commerce & Industry, Office of Joint Director General of Foreign Trade under Foreign Trade Policy 2009-2014.

C. Approvals for our Subsidiary

Incorporation details

1. Certificate of incorporation dated June 16, 2015 issued by the Michigan Department of Licensing and Regulatory Affairs Corporations, Securities and Commercial Licensing Bureau to our Subsidiary.

Tax related approvals

1. Employment registration number of our Subsidiary is 47-4295615.

Our Subsidiary which was incorporated on June 15, 2015, shall make applications for relevant approvals and licenses which are necessary for its development and operations, as and when required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has approved the Issue pursuant to the resolution passed at their meeting held on June 9, 2015 and our Shareholders have approved the Issue pursuant to a resolution dated June 20, 2015.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters or our Directors, the members of the Promoter Group, the Group Companies, the persons in control of our Company have not been debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI.

Prohibition by RBI

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, our Directors and our Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with the eligibility criteria provided in Regulation 26(1) of the SEBI Regulations, and as calculated from the Restated Financial Statements prepared in accordance with the Companies Act and restated in accordance with the SEBI Regulations:

- our Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each) of which not more than 50% are held in monetary assets;

- our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

- our Company has a pre-Issue net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);

- the proposed Issue size does not exceed five times the pre-Issue net worth as per the audited accounts for the year ended March 31, 2015; and

- there has not been any change in the name of our Company within the last one year.

Our Company's net worth, net tangible assets and pre-tax operating profit derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at and for the five years ended Fiscal 2015 are set forth below:

(₹ in million, except percentage values)

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Net tangible assets (1)	1,126.57	915.62	785.23	737.09	568.77
Pre-tax Operating	201.75	182.21	175.03	278.11	115.58

Particulars	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011
Profit [(2)]					
Net Worth [(3)]	1,126.57	915.62	785.23	737.09	568.77
Monetary assets [(4)]	4.22	5.21	14.94	8.18	13.59
Monetary assets as a percentage of the net tangible assets	0.37	0.57	1.90	1.11	2.39

[(1)] *'Net tangible assets' means the sum of all net assets of the Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.*

[(2)] *'Pre tax operating profit' comprise of profit from operations before other income, interest and exceptional items in accordance with Clause 41 1(A) of the Equity Listing Agreements.*

[(3)] *'Net worth' means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of statement of profit and loss;*

[(4)] *Monetary assets comprise of cash and bank balances public deposit accounts with the Government.*

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 failing which the entire application monies shall be refunded forthwith.

Except as disclosed in this Draft Red Herring Prospectus, our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, PNB INVESTMENT SERVICES LIMITED AND AMBIT CORPORATE FINANCE PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 26, 2015 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND

INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF 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 TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. – <u>COMPLIED WITH AND</u> <u>NOTED FOR COMPLIANCE</u>

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. <u>NOT APPLICABLE</u>

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN

OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.</u>**

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. <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE ISSUE HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.</u>**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI REGULATIONS WHILE MAKING THE ISSUE. –<u>NOTED FOR COMPLIANCE</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – <u>COMPLIED WITH TO THE EXTENT</u>**

<u>OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, IN ACCORDANCE WITH ACCOUNTING STANDARD 18 AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS</u>

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Issue. 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 the Prospectus.

All legal requirements pertaining to the Issue 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 Issue 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 and the BRLMs

Our Company, our Directors 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.gnagroup.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and Bidders 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 or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the 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, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Price information of past issues handled by the BRLMs

A. PNBISL

PNBISL has not handled any initial public offerings in the last three years.

B. Ambit

Ambit has not handled any initial public offerings in the last three years.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to

RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army and navy of the Union of India and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institution). This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of 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 prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Northern Regional Office, Bank of Baroda Building, 5th Floor, 16 Sansad Marg, New Delhi 110 001.

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 the Office of the Registrar of Companies Chandigarh and Shimla, Punjab, Chandigarh and Himachal Pradesh which is situated at the following address:

Corporate Bhawan, Plot No.4 B
Sector 27 B, Madhya Marg
Chandigarh 160 019

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, the Issuer may forthwith repay, without interest, all moneys received from the Bidders / Applicants in pursuance of the Red Herring Prospectus / Prospectus. If such money is not repaid within the prescribed time after the Issuer become 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, as disclosed in the Red Herring Prospectus or the Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/Issue Closing Date.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal advisors, Banker/Lenders to our Company, and (b) the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Bank and the Registrar to the Issue to act in their respective capacities, have been obtained / will be obtained prior to filing of the Red Herring Prospectus with the RoC 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 Regulations, our Statutory Auditors, M/s G.S. Syal & Co., Chartered Accountants, have given their written consent to the inclusion of their examination report dated September 10, 2015 on Restated Financial Statements and the statement of tax benefits dated September 10, 2015 included in this Draft Red Herring Prospectus and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Experts to the Issue

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

Our Company has received written consent from the Statutory Auditors namely, M/s G.S. Syal & Co., Chartered Accountants, to include their names as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Financial Statements, dated September 10, 2015 and the statement of tax benefits dated September 10, 2015 included in this Draft Red Herring Prospectus and such consents have 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.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The Issue expenses consist of underwriting fees, selling commission, fees payable to the BRLMs, legal counsels, Bankers to the Issue including processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by the Syndicate Members and submitted to the SCSBs and Registrar to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. For further details of Issue expenses, please see the section entitled "Objects of the Issue" on page 68.

The Issue expenses will be borne by our Company.

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 Issue Agreement and Syndicate Agreement.

Commission payable to SCSBs and Registered Brokers

For details of the commission payable to SCSBs and Registered Brokers, please see the section entitled "Objects of the Issue" on page 68.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, 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 Registrar Agreement.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding public or rights issues by our Company during the last five years

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 the section entitled "Capital Structure" on page 58, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies of our Company

None of our Group Companies are listed on any Stock Exchange.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue. None of the Group Companies have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

The Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, application number, address of the applicant, number of Equity Shares applied for, the Bid Amount paid on submission of the Bid cum Application Form and the entity and centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Broker with whom the

Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Broker at the Broker Centre where the Bid cum Application Form was submitted by the ASBA Bidder.

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

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Geeta Khanna, Dilsher Singh Bhatti and Jasvinder Singh Seehra as members. For details, please see the section entitled "Our Management" on page 138.

Our Company has also appointed Company Secretary, Company Secretary of our Company as the Compliance Officer for the Issue and he may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

Gourav Jain
GNA Axles Limited
VPO Mehtiana
Phagwara Hoshiarpur Road
District Hoshiarpur 146 001
Tel: 0188 2262 273 79
Fax: 0188 2262 302
E-mail: gjain@gnagroup.com

Changes in auditors

Our Company has not changed its auditors since incorporation.

Capitalisation of Reserves or Profits

Except as disclosed in the section entitled "Capital Structure" on page 58, our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not revalued its assets at any time in the last five years.

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act, the SEBI Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and any other authorities while granting their approval for the Issue. SEBI has notified the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") on September 2, 2015, which will govern the obligations which are currently prescribed under the Equity Listing Agreement. The substantive portions of the Listing Regulations will become effective from the 90th day after its publication in the Gazette of India. If the Issue is not completed prior to such date, we would undertake necessary changes prior to filing of the Red Herring Prospectus with the RoC.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights to receive dividend. The Allottees of the Equity Shares under the Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see the section entitled "Main Provisions of the Articles of Association" on page 309.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, please see the sections entitled "Dividend Policy" and "Main Provisions of the Articles of Association" on pages 170 and 309, respectively.

Face Value and Issue Price

The face value of each Equity Share is ₹ 10 per Equity Shares and the Issue Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date. 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 at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with the SEBI Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Equity Listing Agreements to be entered into by the Company with the Stock Exchange(s) and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, please see the section entitled "Main Provisions of Articles of Association" on page 309.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated June 26, 2015 entered into between NSDL, our Company and the Registrar to the Issue;
- Agreement dated May 29, 2015 entered into between CDSL, our Company and the Registrar to the Issue.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Jurisdiction

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outstide India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with applicable laws of such jurisdiction.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale 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 the Registered Office or Corporate Office or to the Registrar to the Issue.

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

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form 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 Bidders require changing of their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Issue; and (ii) for at least 25% of the post-Issue Equity Share capital of the Company that will be less than or equal to ₹ 16,000 million calculated at the Issue Price, in terms of Rule 19(2)(b)(i) of the SCRR , including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law.

Further, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Share capital of our Company, Promoter’s minimum contribution and the Anchor Investor lock-in Equity Shares as detailed in the section entitled “Capital Structure” on page 58 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, please see the section entitled “Main Provisions of the Articles of Association” on page 309.

Option to Receive Securities in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Issue shall be allotted only in dematerialised form. Further, as per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form.

ISSUE STRUCTURE

Issue of up to 6,300,000 Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million by our Company. The Issue comprises of a Net Issue of 6,100,000 Equity Shares to the public aggregating up to ₹ [●] million and a reservation of 200,000 Equity Shares aggregating up to ₹ [●] million for subscription by Eligible Employees. The Issue would constitute 29.35% of our post-Issue paid-up Equity Share capital and the Net Issue to the public would constitute 28.42% of our post-Issue paid-up Equity Share capital.

The Issue is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs(1)	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation (2)	Not more than 200,000 Equity Shares available for allocation	Not more than 3,050,000 Equity Shares	Not less than 915,000 Equity Shares available for allocation	Not less than 2,135,000 Equity Shares available for allocation
Percentage of Issue Size available for Allotment/allocation	Approximately 3.17% of the Issue	Not more than 50% of the Net Issue	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate as follows (excluding the Anchor Investor Portion): (a) 61,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 1,159,000 Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	In the event, the Bids received from Retail Individual Bidders exceeds 2,135,000 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/Allotment to Retail Individual Bidders by the minimum Bid Lot ("**Maximum RIB Allottees**"). The allocation/Allotment to Retail Individual Bidders will then be made in the following manner: • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Net Issue is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated / Allotted

Particulars	Eligible Employees	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
				the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated/ Allotted on a proportionate basis to the Retail Individual Bidders who have received allocation/Allotment as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). • In the event the number of Retail Individual Bidders who have submitted valid Bids in the Net Issue is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated/ Allotted minimum Bid Lot shall be determined through a draw of lots basis. In the event of a draw of lots, Allotment will only be made to such Retail Individual Bidders who are successful pursuant to such draw of lots. For details, please see the section entitled "Issue Procedure" on page 257.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount	Such number of Equity Shares that the	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Particulars	Eligible Employees	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
	thereafter.	exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter.	
Maximum Bid	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares so that the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can apply[3]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual fund registered with SEBI, FPIs other than Category III Foreign Portfolio Investors, VCFs, AIFs, FVCIs, state industrial	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees	QIBs[1]	Non Institutional Bidders	Retail Individual Bidders
		development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.		
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form.[5]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors)[4][5].	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form.[5]	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form.[5]

(1) *Our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investor on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, please see the section entitled "Issue Structure" on page* 251.

(2) *Subject to valid Bids being received at or above the Issue Price. In terms of Rule 19(2)(b)(i) of the SCRR, the Equity Shares issued in the Issue shall aggregate to at least 25% of the post-Issue Equity Share capital of our Company (calculated at the Issue Price). The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. Further, 200,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue Price.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(4) *Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/Issue Closing Date.*

(5) *In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid cum Application Form.*

Under subscription, if any, in any category, would be met with spill-over from the other categories or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. A total of up to 200,000 Equity Shares shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above Issue Price. Under subscription if any, in the Employee Reservation Portion will be added back to the Net Issue portion. Under subscription, if any, in the Net Issue would be allowed to be met with the Employee Reservation Portion.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Issue after the Bid/Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of ASBA Bidders within one day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a fresh issue and/or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Issue Programme

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

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

(2) Our Company, may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one day prior to the Bid/ Issue Closing Date in accordance with the SEBI Regulations.

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

Event	Indicative Date
Bid/ Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds	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 Exchanges	On or about [●]

The above timetable is indicative and does not constitute any obligation on our Company 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 12 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any 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.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (**"IST"**)) during the Bid/ Issue Period (except the Bid/ Issue Closing Date) at the bidding centres and the Designated Branches mentioned on the Bid cum Application Form.

On the Bid/ Issue Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. (IST) and 3.00 p.m. (IST) and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion after taking into account the total number of applications received up to the closure of timings and reported by BRLMs to the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the 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 would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). Our Company and the members of Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time.

On the Bid/Issue Closing Date, extension of time will be granted by Stock Exchanges only for uploading of Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by BRLMs to the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB or the member of the Syndicate for rectified data.

Our Company in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in 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/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and the terminals of the other members of the Syndicate Members.

ISSUE PROCEDURE

All Bidders should review the General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the "General Information Document") included below under the section entitled"- Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue and amendments to the SEBI Regulations, as on date of this Draft Red Herring Prospectus. 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 Issue.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015, certain changes would be applicable to the issue procedure for initial public offerings, including making the ASBA process mandatory for all investors (except for Anchor Investors) and allowing registrar, share transfer agents, depository participants and stock brokers to accept application forms. These changes are applicable for public issues which open on or after January 1, 2016. In the event that the Bid/Issue Opening Date for this Issue is on or after January 1, 2016, we will have to make appropriate changes to the "Issue Procedure" section and other sections of this Draft Red Herring Prospectus, prior to filing of the Red Herring Prospectus with the RoC.

Our Company 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 Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis of which one third shall be reserved from domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Issue Price. 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 Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. 200,000 Equity Shares aggregating up to ₹ [●] million shall be made available for allocation on a proportionate basis to the Eligible Employees bidding in the Employee Reservation portion, subject to valid Bids being received at or above the Issue Price.

Under subscription if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories (including the Employee Reservation Portion) at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. Under subscription, if any, in the Net Issue would be allowed to be met with the Employee Reservation Portion.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers, the SCSBs and the Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available on the websites of the SCSBs, NSE (www.nseindia.com) and BSE (www.bseindia.com) and the terminals of the Registered Brokers. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors) and Non-Institutional Bidders shall mandatorily participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion can participate in the Issue through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FIIs, FPIs, or FVCIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

Who can Bid?

In addition to the categories of Bidders set forth under the section entitled "– General Information Document for Investing in Public Issues – Category of Bidders Eligible to Participate in an Issue", the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- FPIs other than Category III Foreign Portfolio Investor;
- Category III Foreign Portfolio Investors, which are foreign corporates or foreign individuals only under the Non Institutional Bidders category;
- Eligible Employees bidding in the Employees Reservation Portion;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other person eligible to Bid in the Issue under applicable laws.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in the Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Issue, either in the QIB Portion 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 Bidders, 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.

Except for Mutual Funds sponsored entities related to the BRLMs, the BRLMs and any persons related to the BRLMS or the Promoters and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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.

Bids by Eligible NRIs

NRIs may obtain copies of Bid cum Application Form from the offices of the BRLMs, the Syndicate Members, the Registered Brokers and the SCSBs. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs (applying on a non-repatriation basis) should make payments by inward remittance in foreign exchange through normal banking channels or out of funds held in Non-Resident External ("**NRE**") Accounts, FCNR Accounts, Non-Resident Ordinary ("**NRO**") Account, or Non-Resident (Special) Rupee Account / Non-Resident Non-Repatriable Term Deposit Account. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour). Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

Eligible NRIs intending to make payment through freely convertible foreign exchange and bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE or FCNR Accounts maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR Account, as the case may be. Payment for Bids by non-resident Bidder bidding on a repatriation basis will not be accepted out of NRO accounts.

Non-ASBA Bids by NRIs shall be submitted only in the locations specified in the Bid cum Application Form.

Bids by FPIs, and FIIs

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio Bidders namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies. In terms of the SEBI FPI Regulations, an FII which 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. Existing FIIs and their sub accounts may continue to buy, sell or deal in securities till the expiry of their current registration. Such FIIs and their sub accounts shall be required to pay conversion fees on or before the expiry of their current registration. Accordingly, such FIIs can participate in the Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investors and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by 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 if (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by, or on behalf of, it to any persons that are not regulated by an appropriate foreign regulatory authority.Further, pursuant to SEBI circular bearing number CIR/IMD/FIIC/20/2014 dated November 24, 2014, FPIs are permitted to issue offshore derivative instruments only to such subscribers who (i) meet the eligibility conditions prescribed under the SEBI FPI Regulations; (ii) do not have opaque structures as defined under the SEBI FPI Regulations.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations *inter alia* prescribe the investment restrictions on the VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until an existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after notification of the SEBI AIF Regulations.

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 which, our Company reserves the right to reject any Bid by a limited liability partnership without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of: (i) the certificate of registration issued by the 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 reserves the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹ 200,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* pink colour form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 200,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 200,000.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of ₹ 200,000.

(h) Bid by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to "Issue Procedure – Allotment Procedure and Basis of Allotment" on page 296 of this Draft Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPIs, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ` 250 million and pension funds with a minimum corpus of ` 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any such Bid in whole or in part, in either case, without assigning any reasons thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 are broadly set forth below:

(a) equity shares of a company: the lower of 10% of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (a), (b) and (c) above, as the case may be.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids 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 certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing which, our Company reserve the right to reject any such Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of the Syndicate or Registered Broker or SCSB (except in case of electronic forms);

6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Registrar to the Issue;

7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. QIBs (other than Anchor Investors) and Non-Institutional Bidders should Bid through the ASBA process only;

9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a TRS for all your Bid options;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (at Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);

12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;

13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;

14. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process;

15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised TRS;

16. 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, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, 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 Bidders 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;

17. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

20. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

21. Ensure that the category and sub-category under which the Bid is being submitted is clearly specified in the Bid cum Application Form;

22. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

23. If you are resident outside India, ensure that Bids by you are in compliance with applicable foreign and Indian laws;

24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the electronic bidding of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the Depository database;

25. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);

26. Ensure that you tick the correct Bidder category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

27. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

28. ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, updated from time to time). ASBA Bidders bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;

29. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

30. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorization/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; and

31. In relation to the ASBA Bids, ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/ revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;

4. Do not pay the Bid Amount in cash, by money order or by postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs

or the Registered Brokers only;

6. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company or the Registrar to the Issue;

7. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;

8. Anchor Investors should not Bid through the ASBA process;

9. If you are a QIB or Non-Institutional Bidder, do not Bid at Cut-off Price;

10. If you are a Retail Individual Bidders or an Eligible Employee bidding under the Employee Reservation Portion, do not Bid for a Bid Amount exceeding ₹ 200,000;

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

12. Do not submit the GIR number instead of the PAN;

13. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

14. In case you are an ASBA Bidder, do not instruct your respective banks to release the funds blocked in the ASBA Account;

15. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

16. 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;

17. If you are a QIB, do not submit your Bid after 3.00 p.m. (IST) on the Bid/Issue Closing Date for QIBs;

18. If you are a Non-Institutional Bidder or Retail Individual Bidder, do not submit your Bid after 3.00 p.m. (IST) on the Bid/ Issue Closing Date;

19. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872, as amended (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);

20. If you are a QIB or a Non-Institutional Bidder, 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;

21. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;

22. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;

23. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/ list/5/33/0/0/Recognised-Intermediaries, updated from time to time); and

24. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that

location for the Registered Broker to deposit the Bid cum Application Forms

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS 2010 standard compliant cheques are processed in three CTS centres in separate clearing session. This separate clearing session will operate only once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Issue Closing Date, Bidders are advised to use CTS cheques or use the ASBA facility to make payment.

BIDDERS ARE CAUTIONED THAT BID CUM APPLICATION FORMS ACCOMPANIED BY NON-CTS CHEQUES ARE LIABLE TO BE REJECTED DUE TO ANY DELAY IN CLEARING BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE.

PLEASE NOTE THAT IN THE EVENT OF A DELAY BEYOND SIX WORKING DAYS FROM THE BID/ISSUE CLOSING DATE IN CLEARING THE CHEQUES ACCOMPANYING THE BID CUM APPLICATION FORMS, FOR ANY REASON WHATSOEVER, SUCH BID CUM APPLICATION FORMS WILL BE LIABLE TO BE REJECTED.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

(a) In case of resident Retail Individual Bidders: "[●]"

(b) In case of Non-Resident Retail Individual Bidders: "[●]"

(c) In case of Eligible Employees bidding in the Employee Reservation Portion: "[●]"

Our Company in consultation with the BRLMs, in its absolute discretion, 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 Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre- Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in: all editions of the English national newspaper Business Standard, all editions of the Hindi national newspaper Business Standard, and the Punjabi newspaper Rozana Spokesman, each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following that:

- if our Company do not proceed with the Issue after the Bid/Issue Closing Date, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company withdraws the Issue after the Bid/Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issue;

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven Working Days of finalisation of the Basis of Allotment;

- Allotment letters shall be issued or application money shall be refunded within 15 days from the Bid/Issue Closing Date or such lesser time specified by SEBI, else application money shall be refunded forthwith, failing which interest shall be due to the applicants at the rate of 15% per annum for the delayed period;

- the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- no further 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 refunded on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; 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.

Our Company declares that all monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/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 Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

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 Issues. 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 SEBI Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and <u>the relevant information about the Issuer undertaking the Issue are set out in the RHP / Prospectus</u> filed by the Issuer with the 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 Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of SEBI at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to "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 Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of the SEBI Regulations. 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 Regulations, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("Book Built Issue") or undertake a Fixed Price Issue ("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/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

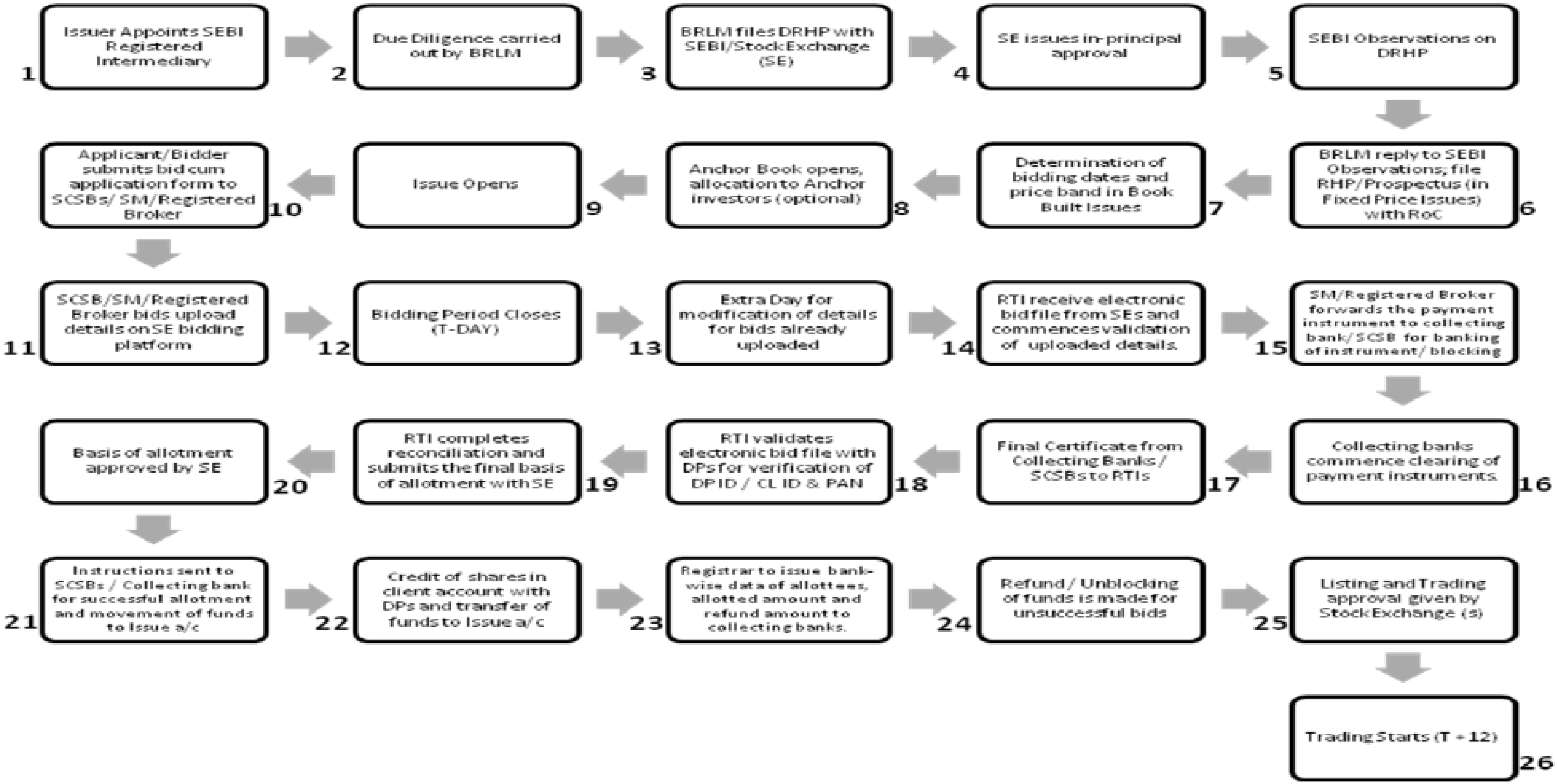
  i. Step 7 : Determination of Issue Date and Price

  ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.

  iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform

  iv. Step 12: Issue period closes

  v. Step 15: Not Applicable


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchange (SE)
4 SE issues in-principal approval
5 SEBI Observations on DRHP
6 BRLM reply to SEBI Observations; file RHP/Prospectus (in Fixed Price Issues) with RoC
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 bid cum application form to SCSBs/ SM/Registered Broker
11 SCSB/SM/Registered Broker bids upload details on SE bidding platform
12 Bidding Period Closes (T-DAY)
13 Extra Day for modification of details for bids already uploaded
14 RTI receive electronic bid file from SEs and commences validation of uploaded details.
15 SM/Registered Broker forwards the payment instrument to collecting bank/SCSB for banking of instrument/ blocking
16 Collecting banks commence clearing of payment instruments.
17 Final Certificate from Collecting Banks / SCSBs to RTIs
18 RTI validates electronic bid file with DPs for verification of DP ID / CL ID & PAN
19 RTI completes reconciliation and submits the final basis of allotment with SE
20 Basis of allotment approved by SE
21 Instructions sent to SCSBs / Collecting bank for successful allotment and movement of funds to Issue a/c
22 Credit of shares in client account with DPs and transfer of funds to Issue a/c
23 Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.
24 Refund / Unblocking of funds is made for unsuccessful bids
25 Listing and Trading approval given by Stock Exchange (s)
26 Trading Starts (T + 12)

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, FII's, FPIs, and FVCIs may not be allowed to Bid/Apply in the Issue 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 Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) 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;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants bidding/applying in the reserved category	[As specified by the Issuer]

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK/SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual

☐ Non-Institutional

☐ 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 - VC
- ☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) 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 FORM 2A 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 APPLICANT

Date : ____________, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)

Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

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

6. Investor Status

NRI	Non-Resident Indian (Repatriation basis)
FII	Foreign Institutional Investor
FVCI	Foreign Venture Capital Investor
FIISA	FII Sub Account Corporate / Individual
OTH	Others (Please Specify)

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ **Full Payment** ☐ **Part Payment**

Amount Paid (₹ in figures) (₹ in words)

☐ **(A) CHEQUE/ DEMAND DRAFT (DD)**

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ **(B) 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 FORM 2A 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 APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S 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 : ______________, 2011	3)	

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)	Bank & Branch
Cheque / DD/ASBA Bank A/c No.	

Stamp & Signature of Banker

Received from Mr./Ms.

Telephone / Mobile Email

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favour of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(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.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of 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 Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /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 Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

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.

(b) 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.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) 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 Portion 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/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the

Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue 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 Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Up to 60.00% 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 the SEBI Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue 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 Regulations. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI Regulations, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/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 Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.

(d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate**: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favouring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid cum Application Form either

i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or

ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

iii. in physical mode to a member of the Syndicate at the Specified Locations, or

iv. to Registered Brokers of the Stock Exchange

(b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-

Intermediaries).

(g) ASBA Bidders bidding through a Registered Broker should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(h) ASBA Bidders bidding directly through the SCSBs should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful 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 Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount *i.e.* the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker

v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or the BRLM(s) in case of any other complaints in relation to the Issue.

(d) The following details (as applicable) should be quoted while making any queries -

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof

iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENT'S STAMP & CODE

ESCROW BANK/SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

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) 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 4 | 3 | 2 | 1	Discount, if any 4 | 3 | 2 | 1	Net Price 4 | 3 | 2 | 1	"Cut-off" (Please tick)
Option 1					☐
(OR) Option 2	OLD BID				☐
(OR) Option 3					☐

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

5. TO (Revised Bid)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 4 | 3 | 2 | 1	Discount, if any 4 | 3 | 2 | 1	Net Price 4 | 3 | 2 | 1	"Cut-off" (Please tick)
Option 1					☐
(OR) Option 2	REVISED BID				☐
(OR) Option 3					☐

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Additional Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)

☐ (B) 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 REVISION FORM AND THE ATTACHED FORM 2A 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 revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)

Date : _______________, 2011

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED BID REVISION FORM

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Additional Amount Paid (₹) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Stamp & Signature of Banker

REVISED BID

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED BID REVISION FORM

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Acknowledgement of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEARHERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, *i.e.* Bid price less discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may 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 member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue 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 Regulations for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI Regulations specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favouring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount *i.e.* the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form 2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account

Mode of Application	Submission of Bid cum Application Form
	is maintained

(a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.

(b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue 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 Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock

Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,

ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,

iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(l) Bids/Applications at Cut-off Price by NIIs and QIBs;

(m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;

(q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);

(x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) 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 Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI Regulations. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 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 at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to 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 BRLMs, may finalise the Issue Price at or below such Cut-Off Price, *i.e.*, at or below ₹ 22.00. All Bids at or above the 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/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty % to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue 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 Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (*i.e.* who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue 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 Regulations or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue 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 Issue 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 Issue 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 Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion 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:

- In case of allocation above ` 250 crore, a minimum of five Anchor Investors and a maximum of 15 Anchor Investors for allocation up to ` 250 crore; and

- Additional 10 Anchor Investors for every additional ` 250 crore or part thereof, subject to minimum allotment of ` 5 crore per Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

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 Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant’s depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in 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) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 70 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be 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 Regulations comes for an Issue under Regulation 26(2) of SEBI Regulations but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.

(c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

(d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centres specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS**—Bidders/Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds on account of our Company not receiving the minimum subscription of 90% of the Issue, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI Regulations.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) 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 Issue

Term	Description
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue 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 /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI Regulations. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.

Term	Description
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue and/or may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band

Term	Description
Employees	Employees of an Issuer as defined under the SEBI Regulations and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the 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 Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
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 the SEBI Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue 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
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)

Term	Description
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue 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 Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors registered with SEBI, 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 Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, 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
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the IT Act, 1961

Term	Description
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 Issue 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/ Issue 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 Issue 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 Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI Regulations
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 Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue 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 Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI Regulations
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.

Term	Description
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 Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates 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 Regulations	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 Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in the Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP, issued the FDI Policy which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on May 11, 2015. However, Press Note 4 of 2015 dated April 24, 2015 regarding policy on foreign investment in pension sector, will remain effective. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Bidders. Our Company 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

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Share Capital

Article 5 provides that "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 power to reclassify, subdivide, consolidate and increase and with 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."

Article 7 provides that "Subject to the provisions of Sections 42, 62 of the Companies Act, 2013 and other applicable provisions of the Act and rules made thereunder and of these Articles, the Shares shall be under the control of the Board who may allot or otherwise dispose of the same to such person(s), on such terms and conditions, at such times, either at par or at a premium and for such consideration as the Board thinks fit either by way of a private placement or public issue."

Increase, reduction, alteration in capital and buy back of shares

Article 20 provides "Where at any time, a Company having share capital proposes to increase is subscribed capital by the issue of further Shares, shall Shares shall be offered as per the provisions contained in Section 62 of the Companies Act, 2013 read with the relevant rules made under the Companies Act, 2013."

Article 21 provides, "Subject to the provisions of Section 62 of Companies Act, 2013 and other applicable law, the Company may issue options to the whole-time directors, officers or employees of the Company, its subsidiaries or its parent, which would give such directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price, in term of schemes of employee stock options or employees share purchase or both."

Article 22 provides, "The Company may alter its share capital as per the provisions contained in Section 61 of Companies Act, 2013 and any rules made thereunder."

Article 83 provides "The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.

Subject to the provisions of Section 61 of the Companies Act, 2013, the Company may, by ordinary resolution:

(i) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

(ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;

(iii) sub-divide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum;

(iv) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person."

Article 85 provides "The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

(i) its share capital;

(ii) any capital redemption reserve account; or

(iii) any share premium account."

Article 14 provides "Subject to the provisions of Sections 68 to 70 of the Companies Act, 2013 and any statutory amendments or re-enactments thereof and compliance of the provisions thereof by the Company, the Company is authorised to purchase its own Shares or other specified securities."

Payment of commission and brokerage

Article 11 provides "The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Companies Act, 2013, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Companies Act, 2013. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other."

Calls

Article 30 provides "The Board may, from time to time, Shares make calls upon it members in respect of any monies unpaid on Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-forth 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."

Article 31 provides "Each member shall pay the amount of every call so made on him to the persons and the times and places appointed by the Board, provided that option or right to make call on Shares shall not be given to any person except with the sanction of the Company in a General Meeting. A call may be made payable by instalment and be deemed to have been made at the time when the resolution of the Board authorising such call was passed at a Meeting of Board."

Article 32 provides "Not less than fourteen days' notice of any call shall be given specifying the time and place of payment and the person or persons to who such call, shall be paid. Provided that, before the time for payment of such call the Board, may, by notice in writing to the members, revoke or postpone the same or extend the time for payment thereof."

Article 33 provides "The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof."

Article 34 provides "If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten percent per annum or at such lower rate if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 35 provides "If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed times, whether on account of the nominal amount of the share or by way of premium, every such amount or instalment shall be payable as if it were call duly made by the Board and of which due notice has been given and all the provisions herein contained in respect of calls or otherwise shall relate to such amount or instalment accordingly. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

Article 38 provides "The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company."

Article 36 provides "The Board -

(i) May, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any Shares held by him; and

(ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance."

Forfeiture, surrender and lien

Article 43 provides "If a member fails to pay any sum payable in respect of any call or any instalment of a call, on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or instalment remains unpaid, serve a notice on such member requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses that they may have been incurred by the Company by reason of such non-payment."

Article 44 provides "The notice aforesaid shall name a further day not being earlier than the expiry of fourteen days from the date of service of notice, on or before which such call or payment required by notice, is to be made and a place at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall state that in the event of non-payment, on or before the date so named the Shares in respect of which such call or instalment was payable shall be liable to be forfeited."

Article 45 provides "If the requirements of any such notice as aforesaid are not complied with, any Shares in respect of which such notice has been given may at any time thereafter, before the payment of calls or instalment, interest and expenses due in respect thereof 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."

Article 46 provides "When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid."

Article 47 provides "A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit."

Article 48 provides "The Board may at any time before any share so forfeited shall have been sold or otherwise disposed off, annul the forfeiture upon such terms and conditions, as it thinks fit."

Article 49 provides "A person whose Shares have been forfeited shall cease to be member in respect of forfeited Shares, but shall, notwithstanding the forfeiture remain liable to the Company for all monies which, at the date of forfeiture were presently payable by him to the Company in respect of the Shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares. The forfeiture of a share shall involve the extinction of all interest in and also for all claims and demands against the Company in respect of the Shares and all other rights, incidental to the share except any such of those rights as by these Articles are expressly saved."

Article 50 provides "A duly verified declaration in writing that the declarant is a Director / Manager / Secretary of the Company and that certain Shares in the Company have 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. The Company may receive the consideration, if any, given for the Shares on any sale or disposal thereof and may execute a transfer of share in favour of the person to whom the share is sold or disposed of. On receipt by the Company of the consideration, if any given for the Shares on the sale or disposition thereof, the transferee shall be registered as the holder of such Shares and the purchaser shall not be bound to see to the application of purchase money, nor shall his title to such Shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition."

Article 51 provides "The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same has been payable by virtue of a call duly made and notified."

Article 52 provides "When any Shares under the powers in that behalf herein contained are sold by the Directors and the certificate has not been delivered to the Company by the former holder of the said Shares, the Directors may issue a new certificate for such Shares distinguishing it in such manner as they may think fit from the certificate not so delivered."

Article 53 provides "Neither the receipt by the Company of a portion of any money which shall from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Board from thereafter proceeding to enforce a forfeiture of such Shares as provided in these Articles for non-payment of the whole or any balance due in respect of the Shares."

Article 55 provides "Fully paid Shares will be free from all Liens:

(i) 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 moneys called or payable at a fixed time in respect of such Shares."

Article 56 provides "The Company shall have a first and paramount Lien upon:

(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

Such Lien shall extend to all Dividends and bonus from time to time declared in respect of such Shares. The Directors may, at any time declare any share wholly or in part to be exempt from the provisions of this clause. 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."

Article 57 provides "For the purpose of enforcing such Lien the Board may sell the Shares in such manner as it thinks fit, but no sale shall be made unless a sum in respect of which the Lien exists is presently payable and until fourteen days notice in writing of the intention to sell shall have been served on such member, his executor or administrator or other legal representative as the case may be and default shall have been made by him or them in payment of the sum payable as aforesaid in respect of such share for fourteen days after the date of such notice."

Article 58 provides "The net proceeds of the sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the Lien exists as is presently payable, and the residue, if any, shall (subject to a like Lien for sums not presently payable as existed upon share before the sale) be paid to the person entitled to the share at the date of the sale."

Article 59 provides "Upon any sale after forfeiture or surrender or for enforcing a Lien purported in exercise of the powers herein conferred, the Board may appoint some person to execute the instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the share sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money. After his name has been entered into the Register in respect of such share, the validity of the sale shall not be impeached by any person on any ground whatsoever and the remedy of any person aggrieved by such sale shall be in damages only and against the Company exclusively."

Article 60 provides "Any debentures, debentures stock or other Securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution."

Transfer and transmission of shares

Article 61 provides "No transfer of share shall be registered unless a proper instrument duly stamped and executed by or on behalf of the transferor and by or on behalf of transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the certificate relating to the Shares or if no such certificate is in existence, along with the letter of allotment of the Shares. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. The signature of one credible witness who shall add his address shall duly attest each signature to such transfer. Provided, that, where on application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as the Board may think fit so as to indemnify the Company."

Article 63 provides "The Board may, subject to the right of appeal conferred by Section 58 decline to Register the transfer of a share, not being a fully paid share, to a person of whom they do not approve or any transfer of Shares on which the Company has a Lien."

Article 64 provides "The instrument of transfer shall be in the form prescribed in rules made under sub-section (1) of Section 56 of the Companies Act, 2013. The Company shall use a common form of transfer. The Board may decline to recognise any instrument of transfer unless:

(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Companies Act, 2013;

(ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of Shares."

Article 70 provides "On giving not less than seven days previous notice in accordance with provisions of Section 91 of the Companies Act, 2013, the registration of transfer may be suspended at such times and for such periods as the Board may from time to time determine. Provided that, such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year."

Article 73 provides "On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the Shares. Nothing in this clause shall release the estate of a deceased joint holder from any liability in respect of any Shares which had been jointly held by him with other persons."

Article 74 provides "Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may be from time to time properly be required by the Board and subject to hereinafter provided, elect either :-

(i) To be registered himself as holder of the share; or

(ii) To make such transfer of the share as 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."

Article 77 provides "A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board, may at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all Dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with."

Borrowing Powers

Article 86 provides “The Board may from time to time subject to the Sections 73, 179 and 180 of the Companies Act, 2013, at their discretion raise or borrow any sum or sums of money for the purpose of the Company and subject to the applicable provisions of the Act may secure payment or repayment of same in such manner and upon such terms and conditions in all respect as may be prescribed by the Board, in particular by the creation of any mortgage or charge or other encumbrances on any of the immovable properties of the Company or hypothecation, pledge or charge on and over the Company's stocks, book debts and other movable properties.”

Article 87 provides “The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions as they think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the property (both movable and immovable) of the Company both present and future including its uncalled capital for the time being or by giving, accepting or endorsing on behalf of the Company any promissory notes, bills of exchange or other negotiable instruments and no debenture shall carry any voting right whether generally or in respect of any particular class or classes of business.”

Article 89 provides “Any debenture-stock or other Securities may be issued at par or at premium and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges such as warrants etc. and conditions as to redemption, surrender, drawing, allotment of Shares, attending at General Meeting, appointment of Directors and otherwise. The power to issue debenture stock or other Securities with a right to allotment of or conversion into Shares of any denomination shall only be exercised by the Company in the General Meeting.”

Article 93 provides “Debentures/debenture stock, loan/loan stock, bonds or other Securities conferring the right to allotment or conversion into Shares or the option or right to call for allotment of Shares shall not be issued except with the sanction of the Company in General Meeting.”

Conversion of shares into stock

Article 84 provides “Where Shares are converted into stock:

(i) 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.

(ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the Dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.

(iii) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.”

General Meetings

Article 94 provides “All General Meetings other than Annual General Meeting shall be called extraordinary general meeting.”

Article 96 provides “In addition to any other meetings, a General Meeting of the Company shall be held within such interval as specified in Section 96 of the Companies Act, 2013, and subject to the provisions of this Section, at such times and places as may be determined by the Board. Each such General Meeting shall be called an ‘Annual General Meeting’ and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an Extra Ordinary General Meeting.”

Article 97 provides “The Board may, whenever it thinks fit, call an Extra Ordinary General Meeting. If at any time there are not within India Directors capable of acting who are sufficient in number to form a quorum, any Director or any two members of the Company may call an Extra Ordinary General Meeting, in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.”

Article 99 provides “No business shall be transacted at General Meeting of the Company unless a quorum of members is present at the time when the Meeting proceeds to commence business. The quorum for the General Meetings shall be as provided in Section 103 of the Companies Act, 2013.”

Vote of Members

Article 103 provides “Every question submitted to a Meeting shall be decided, in the first instance by a show of hands and in the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.”

Article 114 provides “A member may exercise his vote at a Meeting by electronic means in accordance with Section 108 and shall vote only once.”

Article 116 provides “In case of joint holders the vote of senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.”

Article 127 provides “Any objection as to the admission or rejection of a vote, on a show of hands or on a poll made in due time shall be referred to the Chairman of the Meeting who shall forthwith determine the same and such decisions shall be final and conclusive.”

Proxies

Article 121 provides “Any Member of a Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another person whether a member or not, as his proxy to attend and vote instead of himself but the proxy so appointed shall not have any right to speak at the Meeting and shall not be entitled to vote except on a poll.”

Article 124 provides “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 instrument of proxy or of the authority under which the proxy was executed or transfer of the Shares in respect of which the proxy is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Chairman at the office before the commencement of the Meeting provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.”

Article 125 provides “Every instrument appointing a proxy shall be in the form prescribed in the rules made under Section 105 of the Companies Act, 2013.”

Directors

Article 131 provides “The minimum and maximum number of Directors shall be as per the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 2013.”

Article 136 provides “The Directors shall have powers at any time and from time to time to appoint any other person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number. Any Director so appointed shall hold office only up to the date of the next following Annual General Meeting of the Company but shall be eligible for re-election at such meeting.”

Article 137 provides “Subject to the provisions of Section 161 of the Companies Act, 2013 or any statutory modification thereof, the Board shall have power to appoint any person to act as alternate director for a director during the latter's absence for a period of not less than three Months from India and such appointment shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly but he shall not be required to hold any qualification Shares, if any, and shall 'ipso facto' vacate his office if and when the original Director returns to the State in which meetings of the Board are ordinarily held or if the original director vacates his office as director."

Proceedings of Directors Meetings

Article 149 provides "The Directors may meet together for the conduct of business and may adjourn and otherwise regulate their meetings and proceedings as they may think fit, subject to the provision of the Act."

Article 150 provides "A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board."

Article 151 provides "Subject to the provisions of the Act, questions arising at any meeting of the Directors shall be decided by a majority of votes and in case of any equality of votes the Chairman shall have a second or casting vote."

Article 152 provides "A meeting of the Board shall be called by giving not less than seven days notice in writing to every director at his address registered with the Company and such notice may also be sent by post, hand delivery or by electronic means."

Article 153 provides "Subject to Section 174 of the Companies Act, 2013, the quorum for the meeting of the Board shall be one third of its total strength or two Directors, whichever is higher, provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength in number, the remaining Directors, that is to say, the number of Directors who are not interested, present at the Meeting being not less than two, shall be the quorum during such meeting."

Dividends

Article 178 provides "No larger Dividend shall be declared than that recommended by the Board, but the Company in General Meeting may declare a smaller Dividend."

Article 175 provides "Subject to the rights of the persons, if any, entitles to Shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid and 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 amount of Shares."

Article 173 provides "The Board may before recommending any Dividend set apart out of the profits of the Company such sums as it thinks fit as a reserves or reserve 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 provisions for meeting contingencies or for equalizing Dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may, from time to time, thinks fit and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserve or any part thereof in the business of the Company and that without being bound to keep the same separated from the other assets. The Board may also carry forward any profits, which it may think prudent not to divide without setting them aside as a reserve."

Article 186 provides "Notice of any Dividends, whether interim or otherwise, shall be given to the person entitled to share therein in the prescribed manner, if any."

Capitalisation of Profits

Article 169 provides "The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of Dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to other applicable provisions, either in or towards: (A) paying up any amounts for the time being unpaid on any Shares held by such members respectively; (B) paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued Shares to be issued to members of the Company as fully paid bonus Shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation."

Winding up

Article 210 provides "Subject to the provisions of Chapter XX of the Companies Act, 2013 and rules made thereunder:-

(i) If the Company shall be wound up, the liquidator may, with the sanction of special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(ii) For the purpose of aforesaid, the liquidator may set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or any Securities whereon there is any liability."

Indemnity

Article 213 provides "Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of 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 Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated September 24, 2015 entered into between our Company and the BRLMs.

2. Registrar Agreement dated September 16, 2015 entered into between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] entered into between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s).

4. Syndicate Agreement dated [●] entered into between our Company, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] entered into between our Company and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated January September 6, 1993.

3. Certificate for commencement of business dated April 5, 1994

4. Resolutions of the Board of Directors dated June 9, 2015 in relation to the Issue and other related matters.

5. Shareholders' resolution dated June 20, 2015 in relation to the Issue and other related matters.

6. The examination report of the Statutory Auditors dated September 10, 2015, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.

7. The Statement of Tax Benefits dated September 10, 2015 from the Statutory Auditors.

8. Consent of the Directors, the BRLMs, Indian Legal to the Issue, Registrar to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

9. Due Diligence Certificate dated September 26, 2015 addressed to SEBI from the BRLMs.

10. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

11. Tripartite agreement dated June 26, 2015 entered into between our Company, NSDL and the Registrar to the Issue.

12. Tripartite agreement dated May 29, 2015 entered into between our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

________________________	**Rachhpall Singh** (Chairman, Executive Director)
________________________	**Gursaran Singh** (Managing Director)
________________________	**Jasvinder Singh Seehra** (Joint Managing Director)
________________________	**Ranbir Singh** (Executive Director)
________________________	**Gurdeep Singh** (Non-Independent, Non-Executive Director)
________________________	**Harwinder Singh Sehra** (Executive Director)
________________________	**Kulwin Sehra** (Executive Director)
________________________	**Anish Kumar Dhingra** (Independent Director)
________________________	**Jasminder Singh Johal** (Independent Director)
________________________	**Vikas Uppal** (Independent Director)
________________________	**Geeta Khanna** (Independent Director)
________________________	**Shailindra Singh Kaushik** (Independent Director)
________________________	**Dilsher Singh Bhatti** (Independent Director)
________________________	**Manbhupinder Singh Atwal** (Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

________________________	**Rakesh Kumar** (Chief Financial Officer)

Place: Mehtiana, Hoshiarpur
Date: September 26, 2015