



## POWERICA LIMITED

Our Company was incorporated as Consolidated Power Systems Private Limited, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 4, 1984 issued by the Registrar of Companies, Maharashtra at Mumbai (the "RoC"). Our Company became a deemed public limited company under Section 43(A)(1A) of the Companies Act, 1956, and the word "private" was struck-off from the name of our Company with effect from June 15, 1988 pursuant to a resolution passed by our Board on July 15, 1988. Subsequently, the name of our Company was changed to Powerica Limited in order to identify with the group, and a fresh certificate of incorporation dated October 5, 1989, consequent upon change of name, was issued by the RoC. For further details of changes in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 116.

**Registered and Corporate Office:** 9<sup>th</sup> Floor, Bakhtawar, Nariman Point, Mumbai 400 021  
**Contact Person:** Komal Manoj Nagdev, Company Secretary and Compliance Officer; **TeL:** +91 22 4315 2525  
**E-mail:** company.secretary@powericaltd.com; **Website:** www.powericaltd.com  
**Corporate Identity Number:** U31100MH1984PLC032825

### PROMOTERS OF OUR COMPANY: NAresh CHANDER OBEROI, KHARATIRAM KHARAK PURI AND BHARAT NAresh OBEROI

PUBLIC OFFER OF UP TO 7,618,427 EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "EQUITY SHARES") OF POWERICA LIMITED (OUR "COMPANY") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 5,803,229 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION BY THE PROMOTER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER), UP TO 761,843 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION BY THE PROMOTER GROUP SELLING SHAREHOLDER (AS DEFINED HEREINAFTER), UP TO 728,141 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION BY THE INVESTOR SELLING SHAREHOLDER (AS DEFINED HEREINAFTER) AND UP TO 325,214 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION BY THE EMPLOYEE SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER, AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDERS, THE PROMOTER GROUP SELLING SHAREHOLDER AND THE INVESTOR SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS"). THIS OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES (CONSTITUTING UP TO [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY AND THE SELLING SHAREHOLDERS MAY OFFER A DISCOUNT OF UP TO [•]% (EQUIVALENT TO ₹ [•]) ON THE OFFER PRICE (AS DEFINED HEREINAFTER) TO ELIGIBLE EMPLOYEES. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE NET OFFER WOULD CONSTITUTE AT LEAST [•]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMS") AND WILL EITHER BE INCLUDED IN THE RED HERRING PROSPECTUS OR WILL BE ADVERTISED IN [•] EDITIONS OF [•] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), [•] EDITIONS OF [•] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER), AND THE [•] EDITION OF [•] (A WIDELY CIRCULATED MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, provided that the Bid/Offer Period shall not exceed 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Self Certified Syndicate Banks (the "SCSBs") and the Designated Intermediaries, as applicable.

The Offer is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as amended (the "SCRR") read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, this Offer is being made through the Book Building Process, wherein 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (the "Anchor Investor Portion"), out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process, providing details of their respective bank accounts (including UPI ID in case of RIBs) which will be blocked by the SCSBs, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 268.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 5. The Floor Price, Cap Price and Offer Price (determined and justified by our Company and the Selling Shareholders in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for the Offer Price" beginning on page 65), 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 Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 20.

### COMPANY AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder severally accepts responsibility for and confirms only statements made or undertaken expressly by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and the respective portion of the Equity Shares offered pursuant to the Offer for Sale by such Selling Shareholder and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or its business in this Draft Red Herring Prospectus.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an "in-principle" approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [•] and [•], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [•]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection", beginning on page 296.

### BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg Churchgate Mumbai 400 020 Tel: +91 22 2288 2460 E-mail: powerica.ipo@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact person: Shekher Asnani/ Rishi Tiwari SEBI Registration Number: INM0000011179	Edelweiss Financial Services Limited 14 <sup>th</sup> Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Tel: +91 22 4009 4400 E-mail: powerica.ipo@edelweissfin.com Investor Grievance E-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Prashant Gaikwad SEBI Registration Number: INM0000010650	IFL Holdings Limited 10 <sup>th</sup> Floor, IFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Tel: +91 22 4646 4600 E-mail: powerica.ipo@iiflcap.com Investor Grievance E-mail: ig.ib@iiflcap.com Website: www.iiflcap.com Contact person: Pinkesh Soni/Anant Gupta SEBI Registration Number: INM0000010940	Link Intime India Private Limited C-101, 1 <sup>st</sup> Floor, 247 Park Lal Bhadur Shastri Marg Vikhroli (West) Mumbai 400 083 Tel: +91 22 4918 6200 E-mail: powerica.ipo@linkintime.co.in Investor Grievance E-mail: powerica.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti GopalKrishnan SEBI Registration Number: INR000004058
<b>BID/OFFER OPENS ON</b> [•] <sup>(1)</sup>	<b>BID/OFFER CLOSES ON</b> [•] <sup>(2)</sup>		

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

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

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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, shall have the meaning as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies, as amended from time to time.*

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

*Notwithstanding the foregoing, terms used in “Basis for the Offer Price”, “Statement of Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” beginning on pages 65, 67, 69, 108, 146, 247 and 280, respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

<b>Term</b>	<b>Description</b>
“Our Company”, “the Company” or “the Issuer”	Powerica Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at 9 <sup>th</sup> Floor, Bakhtawar, Nariman Point, Mumbai 400 021
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis

#### Company and Selling Shareholder Related Terms

<b>Term</b>	<b>Description</b>
Addendum	Addendum dated February 25, 2008 to the SSHA
Amendment Agreement	Amendment agreement dated February 28, 2011 to the SSHA
Articles of Association	The articles of association of our Company
Audit Committee	The audit committee of the board of directors set out in “ <i>Our Management</i> ” beginning on page 122
Auditors/Statutory Auditors	The statutory auditors of our Company, Jayantilal Thakkar & Co., Chartered Accountants
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Corporate Social Responsibility Committee	The corporate social responsibility committee of the board of directors set out in “ <i>Our Management</i> ” beginning on page 122
Deed of Adherence	Deed of adherence dated March 20, 2017 entered into in terms of the SSHA
Director(s)	Director(s) on our Board
Employee Selling Shareholders	T.B. Nedungadi and Sunil Kumar Khurana
Gooty	Gooty Windfarms Private Limited
Group Companies	Companies (other than our Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Information as covered under the applicable accounting standards, and also other companies as considered material by our Board of Directors and as disclosed in “ <i>Our Group Companies</i> ” beginning on page 142
Investor Selling Shareholder	Marina West
IPO Committee	The IPO committee of the board of directors
Key Managerial Personnel	The key managerial personnel of our Company in terms of the SEBI ICDR Regulations, as disclosed in “ <i>Our Management</i> ” beginning on page 122
Marina West	Marina West (Singapore) Pte. Ltd.
Memorandum of Association	The memorandum of association of our Company
Nandurpathar	Nandurpathar Windfarm Limited
Nomination and Remuneration Committee	The nomination and remuneration committee of the board of directors set out in “ <i>Our Management</i> ” beginning on page 122
Paramount	Paramount Windfarms Private Limited
PSSPL	Powerica Sales and Services Private Limited
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in “ <i>Our Promoters and Promoter Group</i> ” beginning on page 139
Promoter Selling Shareholders	Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi
Promoter Group Selling Shareholder	Renu Naresh Oberoi
Promoters	Promoters of our Company, namely, Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi. For details, see “ <i>Our Promoters and Promoter Group</i> ” beginning on page 139
Registrar of Companies/RoC	Registrar of Companies, Maharashtra, at Mumbai
Quadrant	Quadrant Engineers Limited
Registered and Corporate Office	Registered and corporate office of our Company situated at, 9 <sup>th</sup> Floor, Bakhtawar, Nariman Point, Mumbai 400 021
Restated Financial Information	Our restated consolidated financial statements of assets and liabilities as at September 30, 2018 and for the Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016 and our restated consolidated statements of profit and loss and cash flow for the six months ended September 30, 2018 and the Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016, together with the annexures and notes thereto and the examination report, thereon, as prepared and presented in

<b>Term</b>	<b>Description</b>
	accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI
SCP II	Standard Chartered Private Equity (Mauritius) II Limited
SCP III	Standard Chartered Private Equity (Mauritius) III Limited
Second Amendment Agreement	Second amendment agreement dated March 8, 2019 to the SSHA
Selling Shareholders	The Promoter Selling Shareholders, the Promoter Group Selling Shareholder, the Investor Selling Shareholder and the Employee Selling Shareholders, collectively
Shareholders	Shareholders of our Company from time to time
Sovereign	Sovereign Windfarms Private Limited
SSHA	Share Subscription cum Shareholders Agreement dated September 25, 2007 between our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana, as amended
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of the board of directors set out in “ <i>Our Management</i> ” beginning on page 122
Subsidiaries	Subsidiaries of our Company namely, Nandurpathar, Paramount, Vartaman, Sovereign, Vespower and Gooty
Vartaman	Vartaman Wind Energy Private Limited
Vespower	Vespower Windfarm Private Limited
Vestas	Vestas Wind Technology India Private Limited

## Offer Related Terms

<b>Term</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment/Allot/Allotted	Transfer of Equity Shares offered by the Selling Shareholders pursuant to the Offer to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors, in terms of the Red Herring Prospectus and Prospectus, which will be decided by our Company in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Escrow Account	Account to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs to Anchor Investors on a discretionary basis in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by SCSBs upon acceptance of UPI Mandate Request by RIBs using the UPI mechanism
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB for blocking the Bid Amount mentioned in the ASBA Form and will include a bank account of the RIB linked with UPI
ASBA Bidders	Any Bidder except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Escrow Collection Bank(s), Refund Bank(s), Public Offer Bank(s) and Sponsor Bank(s)
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “ <i>Offer Procedure</i> ” beginning on page 268
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly

<b>Term</b>	<b>Description</b>
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form (less Employee Discount, as applicable) and in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIB and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.  However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).  Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], and will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor and an Eligible Employee
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, i.e. Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which this Offer is being made
BRLMs/Book Running Lead Managers	The book running lead managers to the Offer being ICICI Securities Limited, Edelweiss Financial Services Limited and IIFL Holdings Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker.  The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	The cash escrow agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank, the Public Offer Bank, the Refund Bank and the Sponsor Bank, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band.  Only RIBs and Eligible Employees under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the ASBA Bidders and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or at such other websites as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms.

Term	Description
	The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	Date on which funds are transferred from the Anchor Investor Escrow Account and instructions are given to the SCSBs (and in case of RIBs using the UPI mechanism, instruction issued through Sponsor Banks) to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated March 8, 2019, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible Employees	Permanent employees, working in India or outside India, of our Company or of our Subsidiaries or a Director of our Company, whether whole-time or not, as on the date of the registration of the Red Herring Prospectus with the RoC, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; or (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding equity shares of our Company.  The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 on a net basis. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount)
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Employee Discount	Our Company and the Selling Shareholders in consultation with the BRLMs, may offer a discount of up to [●] % (equivalent of ₹ [●]) to the Offer Price to Eligible Employees and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares aggregating to ₹ [●] million, available for allocation to Eligible Employees, on a proportionate basis
Equity Shares	Equity shares of our Company of ₹ 5 each fully paid-up
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Anchor Investor Escrow Account will be opened, in this case being [●]
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or 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, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
ICICI Securities	ICICI Securities Limited
IIFL	IIFL Holdings Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Offer less Offer expenses. For further information about use of the Net Proceeds and the Offer expenses, see " <i>Objects of the Offer</i> " beginning on page 63
Non-Institutional Bidders	All Bidders that are not QIBs or RIBs who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India as defined under FEMA
NRI/Non-Resident Indian	A non-resident Indian as defined under the FEMA Regulations

<b>Term</b>	<b>Description</b>
Offer/Offer for Sale	The initial public offer of up to 7,618,427 Equity Shares of face value of ₹ 5 each for cash at a price of ₹[●] per Equity Share, aggregating up to ₹[●] million (after taking into account the Employees Discount) by the Selling Shareholders
Offer Agreement	The agreement entered into on March 8, 2019 among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	Final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus.  The Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the Pricing Date. A discount of up to [●]% (equivalent of ₹ [●]) per Equity Share on the Offer Price may be offered to Eligible Employees bidding in the Employee Reservation Portion
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof.  The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will either be included in the Red Herring Prospectus or will be advertised, at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Investor Escrow Account and ASBA Accounts on the Designated Date
Public Offer Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Public Offer Account will be opened, in this case being [●]
QIB Portion	Portion of the Net Offer (including the Anchor Investor Portion) being 50% of the Offer consisting of [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors). Our Company and the Selling Shareholders in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis
Qualified Institutional Buyers/QIBs/QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto  The red herring prospectus will be registered with the RoC at least three working days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids
Registrar Agreement	The agreement dated March 8, 2019 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar to the Offer/Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Net Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
RTAs/Registrar and Share Transfer Agents	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )

<b>Term</b>	<b>Description</b>
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The share escrow agreement to be entered into among our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by such Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs into the UPI, and carry out other responsibilities, in terms of the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI
Syndicate/Members of the Syndicate	BRLMs and the Syndicate Members
Syndicate Agreement	The syndicate agreement to be entered into among our Company, the Selling Shareholders, the Syndicate and the Registrar in relation to the collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered among the our Company, Selling Shareholders and the Underwriters, on or after the Pricing Date but prior to filing of the Prospectus with RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI ID	ID created on the UPI for single-window mobile payment system developed by NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
Wilful Defaulter	Company or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Days	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, it shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

#### Technical/Industry Related Terms

<b>Term</b>	<b>Description</b>
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
BOP	Balance of Plant
CDM	Clean Development Mechanism
CERs	Certified Emissions Reductions
CHP	Combined Heat and Power
COP	Conformity of Production
CSR	Corporate Social Responsibility
CTU	Central Transmission Units
CUF	Capacity Utilization Factor
Cummins	Cummins Inc.
Cummins India	Cummins India Limited
EPC	Engineering Procurement and Construction
GBI	Generation Based Incentives
Gensets	Generators
HFO	Heavy fuel oil
HHP	High Horsepower, indicating a power rating, in the context of generator sets, of 750 kVA to 2,000 kVA
HRES	Hybrid Renewable Energy Systems
IPP	Independent Power Producer
kVA	Kilovolt-ampere, a measurement of power within an electrical circuit
LCOE	Levelized Costs of Electricity
LHP	Low Horsepower, indicating a power rating, in the context of generator sets, of up to 375 kVA
MAN	MAN B&W Diesel A/S
MHP	Medium Horsepower, indicating a power rating, in the context of generator sets, of 375 kVA to 750 kVA
MSLG	Medium Speed Large Generators

<b>Term</b>	<b>Description</b>
OEM	Original Equipment Manufacturer
PLF	Plant Load Factor
PPA	Power Purchase Agreements
PSBB	Punching-Shearing-Buffering-Bending
REC	Renewable Energy Certificates
RPO	Renewable Purchase Obligations
STU	State Transmission Units
VHHP	Very High Horsepower, indicating a power rating, in the context of generator sets, of 750 kVA to 2,750 kVA
WRA	Wind Research Analysis
WTG	Wind Turbine Generator

### Conventional Terms / Abbreviations

<b>Term</b>	<b>Description</b>
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF 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
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908
CRISIL	CRISIL Limited
Companies Act	Companies Act, 1956 and 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 the notified sections, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder, as amended
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as Department of Industrial Policy and Promotion)
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017, as amended
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
Financial Year/Fiscal	Unless stated otherwise, the period of 12 months beginning on April 1 and ending on March 31 of the immediately following year
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors
GAAR	General Anti Avoidance Rules
Gazette	Gazette of India
GDP	Gross Domestic Product
GIR	General Index Register
GoI/Government	Government of India
HUF	Hindu Undivided Family
Housing Finance Company	Housing finance company as defined under Regulation 2(1)(u) of the SEBI ICDR Regulations
ICAI	Institute of Chartered Accountants of India

<b>Term</b>	<b>Description</b>
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860, as amended
IST	Indian Standard Time
kV	Kilovolt
MCA	Ministry of Corporate Affairs
MICR	Magnetic Ink Character Recognition
Mn/mn/million	Million
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996, as amended
MW	Megawatt
NA/n.a.	Not Applicable
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NACH	National Automated Clearing House
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR	Non-resident
NRE Account	Non Resident External Account
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 the OCBs under FEMA. OCBs are not allowed to invest in this Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After tax
PLR	Prime Lending Rate
RBI	Reserve Bank of India
RoNW	Return on Net Worth
₹/Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Securities Act	U.S. Securities Act, 1933, as amended
Sq. Ft./sq. ft.	Square feet
Sq. Mts./sq. mts.	Square metres
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
UK	United Kingdom
US/United States/USA	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America

Term	Description
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

## SUMMARY OF THE DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections “Risk Factors”, “Objects of the Offer”, “Our Business”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association” beginning on pages 20, 63, 95, 268 and 280, respectively.

### **Summary of Business**

We are an end-to-end power solution provider of diesel generator sets, both primary and secondary, and we are one of three OEMs in India for Cummins India. We are also in the wind power business, as an independent power producer and as engineering, procurement and construction developer for other IPPs. We diversified into the wind power business and commissioned our first wind power project in 2008. We commenced our EPC business for our own IPP projects in 2012 and for other IPPs in 2014.

For further details, see “*Our Business*” beginning on page 95.

### **Summary of Industry**

As per World Bank estimates, India has witnessed tremendous economic growth rate over the past five years with an increase of approximately 1.5% in its annual GDP growth rate from 2012 to 2017, due to the rise in industrial and commercial expansions. The rising demand for standby backup power from diverse end users and increased investment in infrastructure projects are projected to increase the demand for diesel gensets during the Financial Years 2019 to 2025. As of March 2018, India held 69.7 GW of renewable power capacity and wind power contributed approximately 34.05 GW of the total renewable capacity installed.

For further details, see “*Industry Overview*” on page 69.

### **Our Promoters**

Our Promoters are Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi. For further details, see “*Our Promoters and Promoter Group*” beginning on page 139.

### **Offer Size**

Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders <sup>(1)(2)</sup>	Up to 7,618,427 Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
Offer for Sale by Promoter Selling Shareholders	Up to 5,803,229 Equity Shares
Offer for Sale by Promoter Group Selling Shareholder	Up to 761,843 Equity Shares
Offer for Sale by Investor Selling Shareholder	Up to 728,141 Equity Shares
Offer for Sale by Employee Selling Shareholders	Up to 325,214 Equity Shares
<i>of which:</i>	
Employee Reservation Portion <sup>(3)(4)</sup>	Up to [●] Equity Shares
Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million

<sup>(1)</sup> The Offer has been authorized by a resolution of our Board of Directors dated July 30, 2018. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders pursuant to resolution passed in its meeting held on March 8, 2019. For further details on the authorisations of the Selling Shareholders in relation to the Offer for Sale, see “Other Regulatory and Statutory Disclosures” beginning on page 253.

<sup>(2)</sup> The Selling Shareholders, severally and not jointly, specifically confirm that the Equity Shares offered by each of the Selling Shareholders by way of an Offer for Sale in the Offer, are eligible for the Offer in accordance with the SEBI ICDR Regulations. The Equity Shares offered by the Selling Shareholders have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

<sup>(3)</sup> In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer. For further details, see “Offer Structure” beginning on page 266.

<sup>(4)</sup> Our Company and the Selling Shareholders, may offer an Employee Discount of up to [●] % (equivalent of ₹ [●]) per Equity Share, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.

For further details, see “*Offer Structure*” beginning on page 266.

### **Objects of the Offer**

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of up to 7,618,427 Equity Shares by the Selling Shareholders. For further details, see “*Objects of the Offer*” on page 63.

### **Pre-Offer Shareholding of Promoters, Promoter Group and Selling Shareholders**

S. No.	Category of Shareholders	Number of Equity Shares as on the date of the Draft Red Herring Prospectus	Percentage of total paid up Equity Share capital (%)
1.	Promoters	28,673,110	75.28
2.	Promoter Group	4,633,717	12.16

S. No.	Category of Shareholders	Number of Equity Shares as on the date of the Draft Red Herring Prospectus	Percentage of total paid up Equity Share capital (%)
3.	Promoter Selling Shareholders (C <sub>1</sub> )	28,673,110	75.28
	Promoter Group Selling Shareholder (C <sub>2</sub> )	4,633,717	12.16
	Investor Selling Shareholder (C <sub>3</sub> )	3,640,705	9.56
	Employee Selling Shareholders (C <sub>4</sub> )	325,214	0.85
	Selling Shareholders (C=C <sub>1</sub> +C <sub>2</sub> +C <sub>3</sub> +C <sub>4</sub> )	37,272,746	97.85

For further details, see “*Capital Structure*” beginning on page 51.

## Summary of Financial Information

(in ₹ million, except share data)

Particulars	Six months ended September 30, 2018	Financial Year 2018	Financial Year 2017	Financial Year 2016
Equity Capital	190.46	76.18	76.18	84.25
Net Worth	9,800.70	9,329.25	8365.99	8,051.85
Revenue	6,665.82	12,913.17	14,415.43	13,278.43
Profit/(Loss) after Tax	563.29	963.26	1,175.05	766.09
Earnings per Share (Basic)	14.79	25.29	29.33	18.19
Earnings per Share (Diluted)	14.79	25.29	29.33	18.19
Net Asset Value per Share	257.29	244.91	219.63	191.15
Total Borrowings	365.67	573.10	1,967.65	2,897.27

For further details, see “*Financial Statements*” beginning on page 146.

## Qualifications of the Statutory Auditors

The Restated Financial Information does not contain any qualifications by the Statutory Auditors.

## Summary of Outstanding Litigation and Material Developments

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors, our Subsidiaries and our Group Companies as on the date of this Draft Red Herring Prospectus is provided below:

Type of Proceedings	Number of cases	Amount* (₹ in million)
<b>Cases involving our Company</b>		
Criminal proceedings	9	-
Actions taken by statutory or regulatory authorities	1	-
Indirect taxes	6	1.47**
Other pending material litigation	2	€ 2.7 million and £ 0.4 million
<b>Total</b>	<b>18</b>	<b>1.47, € 2.7 million and £ 0.4 million</b>
<b>Cases involving our Directors (not including Promoters)</b>		
Criminal proceedings	1	-
Direct taxes	1	0.005
<b>Total</b>	<b>2</b>	<b>0.005</b>
<b>Cases involving our Promoters</b>		
Direct taxes	2	5.71
Other pending material litigation	1	-
<b>Total</b>	<b>3</b>	<b>5.71</b>

\* To the extent quantifiable

\*\* Amount involved in 1 indirect tax case is undetermined.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 247.

## Risk Factors

Investors should read “*Risk Factors*” beginning on page 20 to have an informed view before making an investment decision.

## Summary of Contingent Liabilities of our Company

As of September 30, 2018, our capital and other commitments (contingent liabilities) not provided for in our Restated Financial Information are as follows:

Particulars	(in ₹ million)
a) Sales Tax demand disputed, contested in appeal	2.16
Amount paid there against and shown as Advances Recoverable	2.16

Particulars	Six months ended September 30, 2018
b) Service Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	0.31 Nil
c) Excise Duty demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	3.20 Nil
d) Income Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	5.91 Nil
e) Corporate Guarantee given to bank on behalf of Associate	50.00
f) Bank Letter of Credit outstanding	2,170.64
g) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	2,515.13
h) Estimated amounts of contracts remaining to be executed on revenue account and not provided for, net of advances	102.48

For details on the contingent liabilities of our Company, see “*Financial Statements – Annexure 38*” beginning on page 204.

### Related Party Transactions

(in ₹ million)

S. No.	Name of Related Party	Six months ended September 30, 2018	Financial Year 2018	Financial Year 2017	Financial Year 2016
1.	Advance given	-	-	-	11.20
2.	Advance repaid	-	-	11.15	-
3.	Buy-back of Equity Shares	-	-	647.36	-
4.	Contributions made to Group Gratuity Trust through premium paid to LIC	23.05	16.53	13.57	9.55
5.	Director sitting fees and commission	0.08	0.10	0.08	0.12
6.	Dividend paid	66.61	-	-	368.06
7.	Erection, installation and other services rendered	120.06	170.82	-	-
8.	Expenses incurred on behalf of the Company	-	0.02	0.06	-
9.	Expenses incurred, re-imbursed to the Company	11.40	1.56	-	-
10.	Hotel expenses	-	-	-	0.08
11.	Interest income	6.65	0.23	-	0.81
12.	Investments made during the period	-	1.25	-	-
13.	Compensation for Key Managerial Personnel	58.86	125.17	131.08	120.98
14.	Loans given	132.50	37.75	-	-
15.	Loans repaid	4.10	-	-	-
16.	Purchase of fixed assets	-	-	-	0.98
17.	Purchases	11.37	3.26	4.09	-
18.	Rent expenses	0.90	1.80	1.80	1.80
19.	Rent income	-	1.28	2.77	1.83
20.	Repayment of rent deposit	-	-	-	1.20
21.	Sale of fixed assets	-	-	0.20	-
22.	Services received	2.90	13.28	13.21	-
23.	Share of Profit (Loss) of Associate	(2.85)	(0.02)	-	-

For details of the related party transactions, as per the requirements under Ind AS 24 ‘*Related Party Disclosures*’ issued by the ICAI and as reported in the Restated Financial Information, see “*Financial Information – Annexure 38*” beginning on page 204.

### Financing Arrangements

Our Promoters, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

### Weighted average price at which the Equity Shares were acquired by each of our Promoters and the Selling Shareholders in the one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, none of our Promoters or Selling Shareholders have acquired any Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Name of the Promoter / Selling Shareholder	Number of Equity Shares acquired in the one year preceding the date of this Draft Red Herring Prospectus <sup>(1)</sup>	Weighted Average Price (in ₹)*
<b>Promoters or Promoter Selling Shareholders</b>		
Naresh Chander Oberoi	16,428,000	-
Kharatiram Kharak Puri	15,884,424	-
Bharat Naresh Oberoi	53,706,906	-
<b>Promoter Group Selling Shareholder</b>		

Name of the Promoter / Selling Shareholder	Number of Equity Shares acquired in the one year preceding the date of this Draft Red Herring Prospectus <sup>(1)</sup>	Weighted Average Price (in ₹)*
Renu Naresh Oberoi	13,901,151	-
<b>Investor Selling Shareholder</b>		
Marina West	10,922,115	-
<b>Employee Selling Shareholders</b>		
T.B. Nedungadi	967,245	-
Sunil Kumar Khurana	8,397	-

\* As certified by the Statutory Auditors by way of their certificate dated March 8, 2019.

(1) For further details of split and consolidation of equity shares in the last one year, see "Capital Structure – Equity Share capital history of our Company" beginning on page 51.

### Average Cost of Acquisition

The average cost of acquisition per Equity Share to our Promoters and Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name of the Promoter / Selling Shareholder	Number of Equity Shares held on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share (in ₹)*
<b>Promoters or Promoter Selling Shareholders</b>		
Naresh Chander Oberoi	5,476,000	0.92
Kharatiram Kharak Puri	5,294,808	0.40
Bharat Naresh Oberoi	17,902,302	0.89
<b>Promoter Group Selling Shareholder</b>		
Renu Naresh Oberoi	4,633,717	0.93
<b>Investor Selling Shareholder</b>		
Marina West	3,640,705	827.14
<b>Employee Selling Shareholders</b>		
T.B. Nedungadi	322,415	0.58
Sunil Kumar Khurana	2,799	6.04

\* As certified by the Statutory Auditors by way of their certificate dated March 8, 2019.

### Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

### Issue of Equity Shares for consideration other than cash in the last one year

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	Name of the Allotees	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Reason for Allotment
June 5, 2018	All existing shareholders of our Company.	114,276,387	1	N.A.	Bonus issue in the ratio of 3:2

For further details, see "Capital Structure – Equity Shares issued for consideration other than cash or out of revaluation reserves" beginning on page 53.

### Split or Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus.

Date of Split/Consolidation	Particulars
June 4, 2018	Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company sub-divided its authorised share capital, such that 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares pursuant to sub-division was 76,184,258 Equity Shares.
June 7, 2018	Pursuant to a resolution passed by the shareholders of our Company in AGM held on May 31, 2018, our Company consolidated its authorised share capital such that 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000 were consolidated and reclassified as 40,000,000 Equity Shares of ₹ 5 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares pursuant to consolidation was 38,092,129 Equity Shares having face value of ₹ 5 each.

For further details, see “*Capital Structure – Equity Share capital history of our Company*” on page 51.

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

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

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

### **Financial Data**

Unless stated otherwise, financial data included in this Draft Red Herring Prospectus is derived from the Restated Financial Information.

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

Our Company’s Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 month period ended on March 31 of that year. The Restated Financial Information for the six months ended September 30, 2018 and for the Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016 are included in this Draft Red Herring Prospectus, and have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 and the guidance notes issued by ICAI. For further information, see “*Financial Statements*” beginning on page 146.

There are significant differences between Ind AS and U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. 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 principles, policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting principles, policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Red Herring Prospectus, including in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” beginning on pages 20, 95, and 231 respectively, have been calculated on the basis of the Restated Financial Information.

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

All references to:

- “Rupees”, “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India; and
- “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.

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

### **Exchange Rates**

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar:

Currency	As on September 30, 2018	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	(In ₹)
1 USD	72.55	65.04	64.84	66.33	

Source: RBI Reference Rate and [www.fbil.org.in](http://www.fbil.org.in)

### **Industry and Market Data**

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

Industry publications generally state that information contained in those publications has been obtained from sources believed to be reliable but their accuracy, timeliness and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. The industry data used in this Draft Red Herring Prospectus has not been independently verified by the BRLMs, the Directors, the Promoters, the Selling Shareholders or our Company, or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page 20. Accordingly, investment decisions should not be based solely on such information. Certain information in “*Industry Overview*” and “*Our Business*” beginning on pages 69 and 95, respectively, of this Draft Red Herring Prospectus has been obtained from the “*Wind Market Outlook in India 2017-18*” dated April 30, 2018 prepared by Enincon Consulting LLP, “*India Diesel Gensets Market Forecasts and Opportunities, FY 2011-FY 2025*” dated June 2018 and “*Global Medium Speed Large Generators Market Forecast and Opportunities, 2013-2023*” dated May 2018, both prepared by New Age TechSci Research Private Limited.

In accordance with the SEBI ICDR Regulations, “*Basis for the Offer Price*” beginning on page 65 includes information relating to our peer companies. Such information has been derived from publicly available sources and our Company, the Directors, the Promoters, the Selling Shareholders and the BRLMs have not independently verified such information.

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

## FORWARD-LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, as set forth below:

- Reliance on Cummins India Limited (“**Cummins India**”), for the supply of engines, alternators and spare parts used in our diesel generator set business. Any disruption in the supply of such products from Cummins India could have an adverse effect on our business, prospects and results of operations;
- Dependence on our relationship with Vestas for our wind power EPC as well as our wind power IPP business and any adverse developments in such relationship could adversely affect our business, prospectus and results of operations;
- Our wind power business is capital intensive and we may require additional financing to meet those requirements. Any inability to obtain such financing could have an adverse effect on our results of operations and financial condition;
- Any disruption affecting our manufacturing facilities or wind farms could have an adverse effect on our business, results of operations and financial condition; and
- Our acquisition or possession of land for our own power projects or for joint development with Vestas may be subject to legal uncertainties and defects.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” beginning on pages 20, 95 and 231, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company, the Selling Shareholders (in respect of statements/disclosures made by them) and the BRLMs will ensure that the investors in India are informed of material developments from the date of filing of the 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, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the country, the industry and segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" beginning on pages 95, 69 and 231, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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. See "Forward-Looking Statements" on page 19.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, our financial information has been derived from our Restated Financial Information.

### Internal Risk Factors

1. **We rely on Cummins for the supply of engines, alternators and spare parts used in our diesel generator set business. Any disruption in the supply of such products from Cummins India could have an adverse effect on our business, prospects and results of operations.**

We rely heavily on Cummins India (together with its Indian and global affiliates, "**Cummins**") for our diesel generator set business, for which we have been appointed as a non-exclusive Original Equipment Manufacturer ("**OEM**") by Cummins India. Cummins India issues a non-exclusive authorized OEM certificate to us on a yearly basis and our current certification is valid until December 31, 2019. We have also entered into a dealership arrangement with Cummins India to provide non-exclusive after-sales services, including the sale of spare parts, for all diesel generator sets powered by Cummins engines installed in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu. This dealership arrangement has been renewed for a period of three years and is currently valid up to December 31, 2021. For the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, our diesel generating sets segment accounted for income of ₹ 5,424.93 million, ₹ 11,197.52 million, ₹ 12,464.92 million and ₹ 11,902.56 million, or 81.38%, 86.72%, 86.48% and 89.64% of our total income, respectively. Any inability to continue this arrangement with Cummins India, in a timely manner or at all, could have an adverse effect on our business, prospects and results of operations. Further, the prices that Cummins India stipulates for its products affect the prices at which we can offer our diesel generator sets. Any disruption in supply could have an adverse effect on our business, prospects and results of operations.

In addition, Cummins India is free to import or manufacture generating sets for sale in the same territories in which we sell products and Cummins India may also appoint additional non-exclusive OEMs. The success of our business with Cummins India depends significantly on the satisfactory performance of Cummins India. If Cummins India fails to perform its obligations, we may be unable to successfully carry out our operations. Moreover, if the interests of Cummins India conflicts with our interests, this and other factors may cause Cummins India to act in a manner that is contrary to our interests, or otherwise be unwilling to fulfil its obligations under its arrangements with us, which may adversely affect our business, prospects and results of operations.

2. **We depend on our relationship with Vestas for our wind power EPC business as well as our wind power IPP business and any adverse developments in such relationship could adversely affect our business, prospects and results of operations.**

Our wind power EPC business strategy is primarily based on our Company's joint venture agreement with Vestas Wind Technology India Private Limited ("**Vestas**") pursuant to which our Company agreed to jointly invest in the development of upto 750 MW of wind energy projects by 2020. Under the joint venture agreement, Vestas will be the exclusive supplier of wind turbine generators ("**WTGs**") to the projects, and will provide sale, supply, installation, maintenance and other services in relation to WTGs, while we will provide BOP services. In addition, we continue to enter into arrangements with Vestas for future projects. If Vestas fails to meet its obligations in respect of any of our arrangements or our relationship with Vestas suffers, our wind power EPC business, prospects and financial condition may be adversely affected.

In addition, we depend on our relationship with Vestas for our wind power IPP business. We have a number of arrangements with Vestas, through which Vestas has supplied and currently maintains 10 of our 11 operational wind farms, aggregating total generation capacity of 198.55 MW and representing 97.6% of our total operational wind power generation capacity. For each of the Tirunelveli Wind Farm, Theni Wind Farm, Jangi-Vandhiya I, II, III and IV Wind Farms, Vestas has agreed to provide comprehensive O&M services for WTGs and BOP for a period of ten years from the date of commissioning. For the Jangi Wind Farm, Goinj Wind Farm, BDS Wind Farm and Bhatel Wind Farm, Vestas has agreed to provide comprehensive O&M services only for the WTGs, while O&M for the balance of plant is done by us. Vestas is also responsible for providing spare parts covered under supply agreements made with Vestas and adequate manpower as O&M contractor. We have also executed a binding term sheet with Vestas for the supply, erection and commissioning of up to 150 MW for our IPP power projects, of which we have commissioned 50.6 MW of power projects. In addition, we continue to enter into arrangements with Vestas for future IPP projects. Any failure by Vestas to carry out its obligations, change in focus or deterioration in its financial condition may have an adverse effect on our wind power operations, and we may be required to pay damages under our power purchase agreements, among other things.

**3. *Our wind power business is capital intensive and we may require additional financing to meet those requirements. Any inability to obtain such financing could have an adverse effect on our results of operations and financial condition.***

Our wind power business is capital intensive and we expect to incur substantial capital expenditure as we develop and continue to develop wind farms. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, change in WTG cost, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the power industry. Our sources of additional financing, wherever required to meet our capital expenditure plans, may include the incurrence of debt, issue of equity or debt securities, or a combination of both, or the issuance of bank guarantees. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase. This could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. Continued capital expenditure requirements may also have an adverse effect on our results of operations and financial condition.

**4. *Any disruption affecting our manufacturing facilities or wind farms could have an adverse effect on our business, results of operations and financial condition.***

We currently have three manufacturing facilities that are located in the states of Karnataka, Maharashtra and the union territory of Dadra and Nagar Haveli. The manufacture of our generator sets, as well as of their key components, involves hazards that could result in fires, explosions, spills, and other unexpected or dangerous conditions or accidents. Our manufacturing facilities and wind power plants are also 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.

Losses or liabilities resulting from such hazards or operating risks may not be covered by our insurance policies. See “— *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*” on page 31. In addition, if such events occur, our manufacturing or wind power generation capacity may be adversely affected. If we are required to shut down any of our manufacturing facilities or wind farms for a significant period, it may have an adverse effect on our business, results of operations and financial condition.

**5. *Our acquisition or possession of land for our own power projects or for joint development with Vestas may be subject to legal uncertainties and defects.***

We are required to identify and acquire land for our own wind projects and are responsible for site identification and acquisition under our joint venture with Vestas. However, we may not be able to acquire all of the land required for wind power projects for various reasons, including cancellation of allotments of government land, or unavailability of private land at acceptable prices.

There are a number of uncertainties relating to immovable property in India, including, among others, difficulties in obtaining title and fragmented or defective titles. Title defects may result in the loss of our ability to fulfil our contractual obligations under our joint venture with Vestas or as an EPC contractor in respect of facilitating the transfer of rights over wind sites, and could expose us to liability to pay liquidated damages. Wind sites may also have irregularities of title, such as non-execution or non-registration of conveyance deeds and inadequate stamping, and may be subject to encumbrances of which we may not be aware. Such defects may also give rise to significant legal disputes with respect to title in connection with project sites acquired or to be acquired from private parties and we cannot assure you that such disputes will be resolved in our favour or without requiring us to expend significant time, expense and management attention.

While we believe that leasehold rights acquired from regulatory authorities of the respective states in which we have, or expect to have, such leasehold rights are clear of any material encumbrances, we must comply with the terms and conditions of such leases. Failure to comply with the terms of any such lease may result in forfeiture of our rights. The uncertainty of title to a project site or project site under acquisition may impede our ability to facilitate transfer of title to the site, expose us to legal disputes, adversely affect the value of the project site or delay commissioning of the applicable project, which may require us to pay liquidated damages. Legal disputes in respect of title to a project site can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcomes can be uncertain. There can be no assurance that such disputes will not arise in the future and over the long term. We may lose our interests in a project site if we are, or the lessor is, unable to resolve such disputes. The project site is a critical element of a successful wind power project. Our or a lessor's failure to obtain good title with respect to a project site may materially prejudice the success of the project and may require us to write-off expenditures in respect of the wind power project.

We may also not be able to assess or identify all the risks and liabilities associated with a wind site. For example, title defects with respect to a project site, which may include faulty or disputed title, unregistered encumbrances or adverse possession rights, among others, may result in the cancellation of our development plans or delay development or commissioning of the applicable project, which could expose us to claims for liquidated damages. Any of the foregoing could adversely affect our business, results of operations and financial condition.

**6. *Some of the land lease agreements for our wind power projects have shorter terms than the power purchase agreements.***

For some of our wind power projects, the remaining period in the lease of land from the state government is shorter than the residual tenure of the power purchase agreement for the relevant power plant. While renewal of the leased land is a usual practice in the industry, the renewal of the lease may or may not be approved by the government on time, or at all, or the cost of the lease may increase, substantially and adversely affecting the project returns, and consequently our business, results of operations and financial condition.

**7. *Demand for our generator sets is significantly dependent upon major power outage events, seasonality and other events beyond our control that can lead to substantial variations in, and uncertainties regarding, our financial results from period to period.***

Sales of our generator sets are subject to consumer buying patterns, and demand for our products is affected by failures in power infrastructure that may or may not be weather driven, including storms or prolonged summers, or because of blackouts caused by grid reliability issues. Sustained periods without major power disruptions can lead to reduced consumer awareness of the benefits of our generator products and can result in reduced sales and excess inventory. In addition, there is an increased amount of investment in the power sector in India, which has led to the implementation of a number of power plants of varying resources. The demand for our products may decrease as these power plants become operational and India experiences surplus power. Also, the demand for generator sets may be affected by the underlying price of their respective fuels, and any unfavourable movements in prices may adversely affect our business and results of operations.

We may experience variability in revenue as a result of varying weather patterns in southern and western India that generally affect grid-generated power availability in those regions. Typically, we experience higher sales in the fourth quarter of our financial year. These fluctuations are further exacerbated by the absence of long term arrangements with our diesel generator set customers. Managing unpredictable fluctuations in demand is therefore part of our business, and these fluctuations could have an adverse effect on our business and results of operations.

**8. *We are heavily dependent on the performance of the diesel generator set market in southern and western India, particularly the markets in the states of Maharashtra, Karnataka, Tamil Nadu and Kerala, and any adverse changes in the conditions affecting these markets could adversely affect our business, results of operations and financial condition.***

Our business is heavily dependent on the performance of the diesel generator market in southern and western India, particularly in the states of Maharashtra, Karnataka, Tamil Nadu and Kerala. In the event of a slowdown in these regions, or any developments that make our products less attractive in these regions, we may experience more pronounced effects on our business, results of operations, and financial condition than if we had further diversified sales across different geographical locations. Our business, results of operations and financial condition have been and will continue to be largely dependent on the prevailing conditions affecting grid-generated electricity and the resulting market for diesel generator sets in the states of Maharashtra, Karnataka, Tamil Nadu and Kerala.

In addition, the power generation sector and the diesel generator market are affected by changes in government policies, economic conditions, income levels and interest rates among other factors, which may negatively affect the demand for our products. Moreover, the power generation sector and diesel generator market in the states of Maharashtra, Karnataka, Tamil Nadu and Kerala may perform differently from, and be subject to, market and regulatory developments that are different from the markets in other parts of India. Consequently, we cannot assure you that the demand for our products in southern and western India will grow, or will not decrease, in the future.

**9. Adoption, implementation and enforcement of increasingly stringent emission standards could adversely affect our business, results of operations and financial condition.**

Our engine and generator set suppliers are subject to extensive statutory and regulatory requirements governing emission and noise, including standards imposed by the United States Environmental Protection Agency, the European Union and other regulatory agencies around the world. Developing engines and components to meet numerous changing government regulatory requirements, with different implementation timelines and emission requirements, makes developing engines efficiently for multiple markets complicated and could result in substantial additional costs that may be difficult for such supplies to recover in certain markets. In some cases, they may be required to develop new products to comply with new regulations, particularly those relating to air emissions. Increased public and political awareness of the environmental impact of diesel generator sets might also affect preferences in sources of back-up power. Because of these and other factors, our suppliers may scale down or cease production of certain products, resulting in our inability to supply our customers and adversely affecting our business, results of operations and financial condition.

Laws and regulations in India may also impose stricter standards on emissions and noises from generator sets. These may require our suppliers to modify the engines and generator sets that they supply to us, and delays in these modifications, or a decision to cease supply to us altogether, could lead to disruptions in the supply of our products and could adversely affect our business, results of operations and financial condition. For example, in 2014, the Government of India introduced new emissions norms (CPCB II), which aim to reduce pollutants released from diesel generator sets by 50%. The implementation of such norms resulted in an increase in the price of diesel generator sets by about 15% to 20% across the country. This resulted in a sudden decline in sales during the financial year 2015. (*Source: TechSci Report*) In addition, in October 2017, the Delhi Pollution Control Committee, New Delhi banned the operation of electricity generator sets run on diesel, petrol or kerosene, subject to certain exceptions. The ban was subsequently lifted with effect from March 1, 2018. The imposition of such bans in the future in the geographical areas in which we operate may adversely affect our business, results of operations and financial condition.

**10. We face scale-up risks in our joint venture with Vestas.**

Our Company entered into a joint venture agreement with Vestas to jointly invest in the development of approximately 750 MW of wind energy projects by 2020, representing a significant increase in our current EPC capacity of 142.6 MW. We have a limited track record in implementing wind farms and we may face managerial, technical and logistical challenges as we significantly increase the scale of our wind power EPC business and as we develop in-house capabilities in constructing our wind farms. An expansion of our business on such scale may place increased demands on our management, operating systems, internal controls and physical resources. If not managed effectively, these increased demands may adversely affect our ability to perform our obligations under our joint venture with Vestas and even our ability to manage our existing operational wind farms. To manage this expansion effectively, we might be required to increase expenditure to increase our physical resources, expand, train or manage our employee base, and improve management, financial and information systems and controls. Our operations, financial condition and growth objective may be adversely affected if we are not able to effectively budget, forecast or manage other process control issues resulting from scaling up our operations.

**11. We have limited experience in operating wind farms and we may face managerial, technical and logistical challenges.**

We commissioned our first wind farm in 2008 and we have implemented, commissioned and currently own and operate 11 wind farms with an aggregate capacity of 203.35 MW in the states of Gujarat and Tamil Nadu. We have also developed 142.6 MW projects, including four wind projects aggregating 42 MW for third parties. However, we cannot assure you that we may be able to continue to find customers or develop wind farms in a timely or profitable manner, or at all. We could experience disruptions or other challenges at one or more wind farms before or after the commencement of commercial operations. For example, although some of the Vestas wind turbine generators are designed for use in low-wind sites, our technical capability to assess wind conditions may be inadequate. We also provide operations and maintenance services for the Balance of Plant (“BOP”) portion of the wind farms for third parties. However, we have limited experience in providing such services as the operations and maintenance of our operational wind farms are currently conducted largely through Vestas. Given our limited operating experience, we could face managerial, technical and logistical challenges which may have an adverse effect on our business, results of operations and financial condition.

**12. The success of wind farms that we own or operate is dependent on the reliability of prevailing wind patterns and any unexpected change in wind patterns may adversely affect our or our customers' generation capabilities, and in turn, our business and results of operations.**

The viability of wind farms at identified sites is primarily dependent on the wind patterns at these sites conforming to the patterns that were used to determine the suitability of these sites for wind farms. Although our or our customers' technical partners conduct wind resource assessments based on long-term wind patterns at identified sites, which are typically based on historical observations and assumptions, we cannot assure you that wind patterns at a particular site will remain constant. For example, new buildings or other WTGs owned by third parties near our wind power assets may disrupt wind flows. Any changes in wind patterns at particular sites that have been previously identified as suitable

for wind farms, could affect the ability of wind turbine generators to generate power. If wind patterns are insufficient, the plant load factors of wind farms could suffer, which would affect the commercial viability of our or our customers' wind farms. Any change in wind patterns at sites we have identified as suitable for wind farms could have an adverse effect on our business and results of operations.

In addition, as a result of the unreliability of wind patterns in India, wind turbine generators may not be considered as viable base load sources of electricity in India. Consequently, while demand for wind power may increase, it may be unlikely that wind power will be considered as a large-scale substitute for fossil-fuel generated power and for renewable energy from more reliable sources, such as hydroelectric power. This may adversely affect the future growth prospects of the wind power industry in general and our growth prospects in particular.

**13. *The success of our wind power business is partially dependent on the cost of wind-generated electricity as compared to electricity generated from other sources of energy.***

The success of our wind power business is partially dependent on the cost of generating electricity from wind as it compares to electricity generated from other sources. The cost of electricity produced by wind farms is dependent on the cost of establishing wind farms, financing costs and maintenance costs at the designated site. In addition, the relative attractiveness of wind power is partially determined by the cost of electricity generated by conventional resources, such as oil, coal and other fossil fuels, and other renewable sources such as solar, biomass and small hydro. For example, cost-competitiveness of energy generated from renewable energy sources, including wind, was enhanced by high prices for crude oil and petroleum products in 2008. Continued investment in product techniques and technical advances in wind turbine generator design have also led to a continuing reduction in the cost per kWh of power from wind energy. However, a decline in the global prices of oil, gas and coal and other petroleum products, which have fallen from record highs in 2008, could result in lower demand for wind farms. Also, an increase in the cost competitiveness of other sources of power generation, including as a result of any new technology for generation or storage of power and the discovery of new, significant and commercially viable oil, gas and coal deposits, could also have an adverse effect on our business, results of operations and financial condition.

**14. *Our wind power IPP portfolio is concentrated in Gujarat, exposing us to disruptions and risks resulting from conditions that may be specific to this region.***

Our current wind power portfolio is concentrated in the state of Gujarat. Any natural calamity or adverse regulatory changes in the state could adversely affect a substantial part of our wind power IPP portfolio. For example, our projects in Gujarat are exposed to the risk of earthquakes and air salinity due to close proximity to the sea. Any interruptions in our operations in Gujarat would potentially have a greater negative impact on us than if our operations were spread among a larger number of wind power projects throughout India or internationally. In particular, any disruptions affecting Gujarat would have a disproportionate effect on our business. While we maintain insurance against some of these potential adverse events, our insurance policies may not be adequate to cover any losses or liabilities resulting from the occurrence of these events, and such events could adversely affect our business, financial condition and results of operations.

Further, our experience in the wind BOP business is also largely restricted to the state of Gujarat. While we have teams, contractors, vendors and a pipeline of projects in other states, our execution experience so far has been restricted to the state of Gujarat. Accordingly, we may face challenges in the implementation of projects in other states, including those covered by our joint venture agreement with Vestas.

**15. *We are exposed to significant risks from fixed price contracts in our wind power business that could cause us to incur losses and affect our results of operations.***

During the six months ended September 30, 2018 and the financial year 2018, we derived 14.75% and 10.06% of our total income from fixed price power purchase agreements, respectively. Under the terms and conditions of such fixed-price contracts, we generally agree to a fixed price for providing our products and services in connection with wind power projects. However, the actual expenses that we may incur for executing such a contract may vary substantially from the assumptions underlying our bid for several reasons, including:

- unanticipated changes in design of the project;
- unanticipated increases in the cost of equipment, materials or manpower;
- adverse foreign exchange fluctuations;
- technical problems with the equipment, including maintenance of such equipment;
- delays associated with the delivery of equipment and materials to the project site due to logistical bottlenecks or otherwise;
- inability to obtain requisite environmental and other approvals, resulting in delays and increased costs;

- delays caused by local weather conditions; and
- suppliers' or subcontractors' failure to perform.

Although we generally procure raw materials and components in advance of when they are required for project execution, unanticipated costs or delays in performing all or a portion of fixed price contracts can have compounding effects by increasing costs of performing other parts of the contract, including with respect to costs that we are unable to pass on to our customers. These variations and the risks generally inherent to our industry may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations.

**16. *The terms of financing that we obtain for our wind farms may be onerous and our failure to meet such terms may have an adverse effect on our business, results of operations and financial condition.***

A wind farm requires high initial capital investment per kWh of energy produced and the financing terms obtained for investments in wind power, therefore, have a significant influence on the viability of a wind farm. Factors having an adverse impact on the terms of financing for wind farms therefore influence our opportunities for selling our services and the prices we can accept for our wind generated electricity and could adversely affect our business, results of operations and financial condition.

The ability to obtain financing for a wind farm also depends on the willingness of banks and other financing institutions to provide loans to the wind power industry. If lenders decide to reduce their exposure to the wind power industry or to one or more suppliers of wind turbine generators, this could have an adverse effect on our business, results of operations and financial condition.

**17. *We operate in a highly competitive industry, which could limit our ability to grow.***

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

Important factors affecting competition in our generator set business include performance of generator sets, reliability, product quality, technology, price, customer preferences (including growing customer inclination towards renewable and hybrid sources of power generation), and the scope and quality of services, including O&M services. For example, biodiesel generators sets, which use non-petroleum based fuel from non-edible oil seeds and animal fat, have lower operating costs than diesel generator sets, and may be considered more environment-friendly by customers. In addition, the Government provides certain incentives for rooftop solar power projects which could be used as a source of backup power, and could consequently dampen demand for our products.

Important factors affecting competition in our wind power business include, among others, availability of suitable wind sites, the performance of our power generation equipment, financing costs associated with the wind farms, incentives enjoyed by some competitors such as lower rates of corporate tax for smaller companies, execution and technical capability, maintenance costs and wind conditions at our chosen sites. The switch from the feed-in-tariff regime to a bidding regime where bidders compete to offer the lowest power tariffs, could affect our ability to achieve our capacity targets if we do not win these auctions. Even if we do win such auctions, this could adversely affect our margins and returns in our IPP and BOP businesses. For example, the first 1,000 MW auction conducted by the GOI in February 2017 saw bids for tariffs as low as ₹ 3.46/kWh, which was around 31% lower than the average feed-in-tariff of ₹ 4.19/kWh. In December 2017, the 500 MW wind auction conducted by the State of Gujarat in December 2017 saw an all-time low wind power tariff of ₹ 2.43/kWh (*Source: Enincon Report*). Our Bhatel project won 50.6 MW in the Gujarat wind auction with our bid of ₹ 2.44/kWh.

Although we have expended considerable resources on product development and manufacture, as well as improving our technical and execution capabilities, some of our domestic and international competitors have longer industry experience and may have greater financial, technical, personnel, marketing and other resources in activities such as seeking potential wind farms and obtaining financing at lower costs. Some competitors may also be able to react faster to or anticipate trends and changes in customer demand. Our competitors may be willing and able to spend more resources to develop products and sales and may be able to provide products sooner or at a lower price than we can. If our competitors consolidate through joint ventures or cooperative agreements with each other, we may have difficulty competing with them. While we believe that we have historically been able to provide our products and services in our

principal markets at competitive prices, we cannot assure you that we will be able to do so in the future, as our competitors may be able to offer products and services that are more effective than ours are.

Growing competition may result in a decline in our market share or may force us to reduce the prices of our products and services, which may reduce our revenues and margins, any of which could have an adverse effect on our business, results of operations and financial condition.

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

We have experienced significant growth in the past few years. Our operations have grown significantly and we have three manufacturing facilities and a workforce of 1,469 employees, as of December 31, 2018. However, we may be unable to sustain our rate of growth, due to a variety of reasons including a decline in the demand for our products and services, increased competition, non-availability of raw materials, lack of management availability or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

We are embarking on a growth strategy which involves expansion and diversification of our current business. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. For example, we launched our wind power business in 2008, and our Company agreed to invest jointly with Vestas in the development of up to 750 MW of additional wind energy projects by 2020. In addition, we have an arrangement with Cummins India pursuant to which we provide non-exclusive after-sales services, including the sale of spare parts, in respect of Cummins diesel generator sets in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu. Consequently, we will be required to maintain a larger presence in the covered locations, including hiring and training a number of employees and we may be unable to do so in a cost effective or timely manner. If we are unable to successfully expand our newer lines of business, we may be unable to successfully execute our growth strategy. Further, as we scale-up and diversify our operations, we may be unable to execute our operations efficiently, which may result in delays, increased costs and lower quality products. We cannot assure you that our future performance or growth strategy will be successful. In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs or operate our business effectively. Our failure to manage our growth effectively may have an adverse effect on our business, results of operations and financial condition.

**19. *We are heavily dependent on a few external suppliers for key raw materials and components. The failure of our suppliers to deliver these raw materials or components in the necessary quantities, to adhere to delivery schedules or to meet specified quality standards or technical specifications, could adversely affect our production processes and our ability to deliver orders on time.***

We source key raw materials such as copper wiring, cast iron, aluminium, rubber and steel from external suppliers. While we manufacture some of the allied components needed for our generator sets and power plants, we source most of the components from outside suppliers, such as engines, alternators, steel and switchgear. For example, our Cummins division sources all of the engines used in its generator sets from Cummins, and our wind power business is heavily dependent on Vestas for the supply, erection and commissioning of wind turbine generators and the operations and maintenance of our wind farms. We also need to rely on local contractors at each of our wind project site for the majority of civil construction works and for obtaining permits and approvals as we develop the BOP.

The quality of our products and customer acceptance of our products depends on the quality of raw materials and components and our ability to deliver our products in a timely manner. The failure of our suppliers to deliver these raw materials or components in the necessary quantities, to adhere to delivery schedules or to meet specified quality standards or technical specifications, could adversely affect our production processes and our ability to deliver orders on time. In addition, if any of our suppliers' experience financial distress or bankruptcy, this may cause disruption in our supply chain. If such events take place, we may be unable to meet our desired level of quantity or quality, which may give rise to contractual penalties or liability for failure to perform contracts, which we may not be able to recover from our suppliers. We may also lose customers and suffer damage to our reputation. Any of the above could adversely affect our results of operations.

Further, if the costs of raw materials and components were to rise due to factors such as rises in input and commodity prices, shortages in supply or unilateral price increases by our suppliers, and we are unable to recover these costs through cost saving measures elsewhere or by increasing the prices of our products, our results of operations could be adversely affected. In the event that prices of these raw materials and components subsequently decline, we cannot assure you that we will be able to revise the price of our products downwards. Further, if there are few alternative suppliers, as in the case of Vestas being one of the few suppliers of high-quality WTGs, we may be unable to negotiate favourable prices, which could reduce our profitability.

**20. *We are highly dependent on our management team and certain key personnel, and the loss of any key team member may adversely affect our business and results of operations.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. While we believe we have an experienced team, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. Competition for qualified personnel with relevant industry expertise in India is intense and the loss of the services of our key personnel may adversely affect our business and results of operations.

**21. *The construction and operation of wind farms may face opposition from local communities and other parties.***

The construction and operation of wind farms has faced opposition from the local communities where these plants are located and from special interest groups, and we cannot assure you that such opposition may not recur in the future. In particular, local communities may oppose land acquisition for wind farms and landowners may refuse to give rights of way due to the perceived negative effects. Wind turbine generators may cause noise pollution and are considered by some to be aesthetically unappealing. Certain environmental organizations have expressed opposition to wind turbines on the allegation that wind farms cause the death of birds and have other adverse effects on flora and fauna. In India, some communities have claimed that the local climate has been adversely affected by the operation of wind turbine generators. Many countries have enacted legislation that regulates the accepted distance between wind farms and urban areas to guard against potential negative effects. Although we believe that we are in compliance with regulations in India, it is possible that such legislation could be amended to place further restrictions on distance, or to limit the size or height of wind turbine generators in a given area, to prohibit the installation of wind turbine generators at certain sites, or to impose other restrictions, such as noise restrictions. For the foregoing reasons, we may encounter difficulties in acquiring land, which may delay or prevent the implementation of our future wind farms.

A significant increase in the extent of applicable legislation could cause significant constraints on the growth of the wind power industry as a whole. In addition, such legislation could lead to delays in the implementation of our wind farms, relocation of our wind farms, and the possible redundancy of existing wind farms that violate such legislation, any of which could have an adverse effect on our business, results of operations and financial condition.

**22. *Failure to enter into off-take arrangements with respect to our wind farms, in a timely manner and on terms that are acceptable to us, could adversely affect our business, results of operations and financial condition.***

Currently, power generation companies are not permitted to sell electricity directly to retail power consumers. Thus, for our operational and planned wind farms, we are limited to selling power to state utility companies, electricity boards, industrial consumers and licensed power traders. In addition, although we intend to participate in future public reverse auctions for our IPP projects to supply wind power to distribution companies, we cannot assure you that we will win any of the auctions in the future. Also, we cannot assure you that we will be able to enter into off-take arrangements on terms that are acceptable to us, or at all. Failure to enter into such off-take arrangements in a timely manner and on terms that are acceptable to us could adversely affect our business, results of operations and financial condition.

In addition, the duration of our off-take arrangements may not match the duration of the related financing arrangements for our wind farms and we may be exposed to refinancing risk. In the event of an increase in interest rates, our debt service cost may increase at the time of refinancing our loan facilities and other financing arrangements, but our revenues under the relevant power purchase agreements may not correspondingly increase or we may not be able to collect our receivables in a timely manner. In addition, our power purchase agreements may expire or be terminated and we may not have sufficient revenues to meet our debt service obligations or be able to arrange sufficient borrowings to refinance those obligations on commercially acceptable terms, or at all. This mismatch between our financing arrangements and our corresponding power purchase agreements may adversely affect our business, results of operations and financial condition.

**23. *If power evacuation facilities are not made available by the time our IPP power projects are ready to commence operations, we may incur significant transmission costs and our operations could be adversely affected.***

Evacuation or “wheeling” power from our wind farms to our consumers poses significant challenges due to transmission constraints. For evacuating power from our wind farms, we may be responsible for constructing part of the long distance transmission lines at our cost. If construction of such transmission lines is not complete by the time our wind farms are ready to commence operations or we incur significant transmission line costs, our financial position and results of operations could be adversely affected. In some cases, even though we have completed constructing the transmission lines required for our projects, there may be instances of load shedding due to inadequate transmission capacity in the state or if electricity boards unilaterally reduce power offtake from our wind projects.

**24. *The decline in government initiatives and reduction and withdrawal of incentives relating to renewable energy sources, and in particular to wind energy, may have an adverse effect on the demand for wind power.***

In recent years, Governments in many countries, including India, have enacted legislation or have established policies that support the expansion of renewable energy sources, such as wind power, and such support has been a significant contributing factor in the growth of the wind power industry. For example, the Government of India's National Action Plan on Climate Change suggests a minimum renewable energy purchase requirement of 5.0% of total grids purchase in India, including those of state electricity utilities, from the financial year 2010 onwards, and an increase in that requirement by 1.0% for each of the next ten years. Support for investment in wind power is typically provided through fiscal incentive schemes or public grants to the owners of wind power projects, for example through preferential tariffs on power generated by wind farms or tax incentives promoting investments in wind power projects.

The increased use of energy from renewable sources constitutes an important part of the measures needed in India and elsewhere to reduce greenhouse gas emissions in order to comply with the United Nations Framework Convention on Climate Change, Paris Agreement and domestic legal obligations. If at any point the Government or international community were to withdraw, delay, reduce or change support for the increased use of energy from renewable sources, including generation of electricity from wind, for whatever reason, this may have an adverse effect on the support of national or international authorities in respect of the promotion of the use of energy from renewable sources, including in respect of wind generation in India. This may affect our future investment opportunities if this reduces the value of the green benefits that such opportunities are entitled to.

Moreover, as the cost of wind power approaches the costs of other forms of energy, Governments may gradually reduce and withdraw support for wind energy. Public and political interests in a far broader range of renewable energy sources beyond the "traditional" wind, solar or hydro power and a push to diversify energy sources to include tidal power or biofuels may further dampen support for wind energy. Further, although various state commissions have specified Renewable Purchase Obligation ("RPO") for their distribution companies, implementation has not been uniform and therefore state distribution companies have not strictly complied with their RPO obligations. Concerns that renewable energy sources may compromise the stability of the electricity grid may also dampen support for renewable energy.

In the past, the decline in, or elimination of, direct or indirect government support schemes for wind power in a country has had a negative impact on the market for such power in that country. For example, pursuant to Section 80-IA of the Income Tax Act, wind farms that were commissioned before March 31, 2017 were eligible to deduct certain profits for specified periods of time. However, such benefits were phased out for wind farms commissioned after March 31, 2017. In 2015, the Government announced that its target was to reach wind-power capacity of 60 GW by 2022. As the wind power industry is nearing the target capacity, the Government has not announced plans if this target will be increased. The wind power industry in India is also transitioning from a feed-in-tariff regime to a bidding regime.

Accelerated depreciation of 80% plus 20% is allowed on wind turbine generators at our first seven wind farms commissioned from 2008 to 2012, and our next three wind farms commissioned from 2014 to 2017 receive an incremental incentive of ₹ 0.50/kWH capped at ₹ 10.0 million per MW under the Generation Based Incentive Scheme. Currently, projects set up after the Financial Year 2017 shall be allowed accelerated depreciation of 40% plus 20%. If such benefits are not continued, are reduced or become unavailable, our business, results of operations and financial condition may be adversely affected as discontinuation of such benefits may increase our tax liability and affect future cash flows. We cannot assure you that other forms of government support will continue at the same levels or at all. If direct and indirect government support for wind power was terminated or reduced, it would make producing electricity from wind power less competitive. Our ability to set up our own wind power plants or offer wind power-related services to third parties could therefore decline sharply, which would adversely affect our business, results of operations and financial condition.

**25. *We may incur costs and liabilities due to product liability claims.***

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 in bodily injury or property damage or both. Although we currently maintain product liability insurance coverage, we may be unable to obtain such insurance on acceptable terms in the future or at all, or obtain insurance that will provide adequate coverage against potential claims. Product liability claims can be expensive to defend and can divert the attention of management and other personnel for long periods, regardless of the ultimate outcome. An unsuccessful product liability defence could have an adverse effect on our financial condition, and results of operations. In addition, we believe our business depends on the strong brand reputation we have developed. If our reputation is damaged, we may face difficulty in maintaining our market share and pricing with respect to some of our products, which would reduce our sales and profitability.

**26. *Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, results of operations and financial condition.***

We are subject to a broad range of safety, health and environmental laws and regulations in our business in which we operate. Our manufacturing facilities located in India are subject to Indian laws and government regulations on safety, health and environmental protection. These laws and regulations impose controls on the storage, handling, discharge and disposal of chemicals, as well as employee exposure to dangerous work conditions, and other aspects of our

operations and products. Safety, health and environmental laws and regulations in India, in particular, have been increasing in stringency and it is possible that they will become significantly more stringent in the future. The costs of complying with these requirements could be significant. We have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. In addition, we have made and expect to continue to make capital expenditures on an ongoing basis to comply with safety, health and environmental laws and regulations. The discharge of raw materials or of hazardous substances or other pollutants into the air, soil or water may cause us to be liable to the Government or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges or pay fines or other penalties for non-compliance.

In addition, many countries, including India, have introduced legislation governing the manufacture, erection, operation and decommissioning of wind turbine generators, including compliance with procedures relating to the acquisition of land to be used for wind farms, compliance with relevant planning regulations and approvals for the commencement of operations at a wind farm, including clearances from environmental regulators. Further, the extraction activities on land used for wind farms and the refining and consumption of raw materials used in the manufacture of wind turbine generators, the impact of noise pollution from manufacturing facilities and noise from the transport to and from production sites are subject to regulation. If legislation and regulation relating to the foregoing activities are made stringent, such as increasing the requirements for obtaining approvals or meeting government standards, this could result in changes to the infrastructure necessary for wind farms and the technical requirements for wind turbine generators and the methods used to manufacture them, increasing the costs related to changing production methods in order to meet government standards and increasing penalties for non-compliance.

We cannot assure you that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, the costs of which could be material. Clean-up and remediation costs of our sites and related litigation could adversely affect our business, results of operations and financial condition.

#### **27. Some of our Group Companies have incurred losses during the last three financial years.**

The following Group Companies have incurred losses during the last three financial years (as per their respective audited standalone financial statements), as set forth below:

Name of the Group Company	Profit/ (Loss) after tax (₹ in million)		
	Financial Year 2018	Financial Year 2017	Financial Year 2016
Airpower Windfarms Private Limited	(0.37)	(0.84)	(0.07)

#### **28. There are certain outstanding litigation involving our Company, our Directors and our Promoters.**

There are certain outstanding legal proceedings involving our Company, our Directors and our Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. The summary of outstanding litigation proceedings in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory/statutory authorities, matters above the materiality threshold involving our Company, our Directors and our Promoters and disciplinary actions including penalties imposed by SEBI or Stock Exchanges against our Promoters in the last five Financial Years, including any outstanding action, as on the date of this Draft Red Herring Prospectus is provided below:

##### **Litigation involving our Company**

Type of proceedings	Number of cases	Amount, to the extent quantifiable (₹ in million)
Criminal proceedings	9	-
Actions taken by statutory or regulatory authorities	1	-
Indirect taxes	6	1.47*
Other pending material litigation	2	€ 2.7 million and £ 0.4 million
<b>Total</b>	<b>18</b>	<b>1.47, € 2.7 million and £ 0.4 million</b>

\* Amount involved in 1 indirect tax case is undetermined.

##### **Litigation involving our Directors (not including Promoters)**

Type of proceedings	Number of cases	Amount, to the extent quantifiable (₹ in million)
Criminal proceedings	1	-
Direct taxes	1	0.005
<b>Total</b>	<b>2</b>	<b>0.005</b>

##### **Litigation involving our Promoters**

Type of proceedings	Number of cases	Amount, to the extent quantifiable (₹ in million)
Direct taxes	2	5.71

Type of proceedings	Number of cases	Amount, to the extent quantifiable (₹ in million)
Other pending material litigation	1	-
<b>Total</b>	<b>3</b>	<b>5.71</b>

For further details of outstanding litigation against our Company, our Directors and our Promoters, see “*Outstanding Litigation and Material Developments*” beginning on page 247. Decisions in any of the aforesaid proceedings adverse to our interests may have an adverse effect on our business, reputation, future financial performance and results of operations. If the courts or tribunals rule against our Company, our Directors or our Promoters, we may face monetary or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**29. *We require certain approvals and licenses in the ordinary course of business and the failure to obtain or retain such approvals or licenses in a timely manner or at all may adversely affect our business, results of operations and financial condition.***

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we either may have made, or are in the process of making, an application for obtaining the approval for its renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may require us to make ongoing compliance-related expenditure. If we fail to comply or a regulator claims that we have not complied with these conditions, our business, results of operations and financial condition may be adversely affected. For details see “*Governments Approvals*” on page 251.

**30. *We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our business, results of operations and financial condition.***

In order to retain operational efficiencies, our Company appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations in India. As of December 31, 2018, we engaged 1,037 contract workers at our facilities. In the event we are unable to appoint the required labour, we may experience a reduction in operational capacity, which may have an adverse effect on our business, results of operations and financial condition.

Although our Company does not engage these labourers directly, we may be held responsible for any wage related payments including statutory dues to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

**31. *Our success depends on the uninterrupted supply of raw materials and components to our manufacturing facilities and wind farms and transportation of our products from our plants to our customers, which are subject to various uncertainties and risks.***

We depend on various forms of transport, such as air, seaborne freight, rail and road, to receive raw materials and components used in generator production and to deliver our products and services from our manufacturing facilities and wind farms to our customers. These transportation facilities may not be adequate to support our operations. Further, disruptions of transportation services because of weather-related problems, strikes, lockouts, inadequacies in the road infrastructure or port facilities or other events could impair the ability of our suppliers to deliver raw materials and components and our ability to supply our products to our customers. Although we have not encountered any significant disruptions in the supply of our raw materials and components and in the transportation of our products, we cannot assure you that such disruptions due to occurrence of any of the factors cited above will not occur in the future.

**32. *We regularly work with hazardous machinery and activities in our operation can be dangerous and could be injurious to people and property.***

Our business requires individuals to work under potentially dangerous circumstances. For example, if improperly utilized, our machinery can seriously hurt or even kill employees or other persons, and cause damage to our properties and the properties of others. Despite our compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fire, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks.

These hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities. The loss or shutting down of our facilities could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation, filed on behalf of

persons alleging injury predominantly because of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are decided against us, our business, results of operations and financial condition could be adversely affected.

**33. *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 breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances and employee fraud, and infrastructure failure. We cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. In addition, our insurance policies may not provide adequate coverage in such circumstances including those involving claims by third parties and may be subject to certain deductibles, exclusions and limits on coverage.

If our arrangements for insurance or indemnification are not adequate to cover claims, including those claims that exceed policy aggregate limitations or exceed the resources of the indemnifying party, we may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

**34. *Our financing agreements contain covenants that limit our flexibility in operating our business.***

We are bound by restrictive and other covenants in our sanction letters and facility agreements with various lenders, including but not limited to, restrictions on the utilization of the loan for certain specified purposes, obtaining prior consent from or giving prior intimation to existing lenders, to provide any security pursuant to any sanction documents, disposal of assets or making any acquisition or investment other than in ordinary course of trading by our Company or any Subsidiaries, restriction on aggregate financial indebtedness of our Company, maintenance of financial ratios, and making any changes to our ownership or control. For further details on our borrowings, see “*Financial Indebtedness*” on page 229.

As of December 31, 2018, our aggregate outstanding indebtedness was ₹ 305.09 million. In addition, as of December 31, 2018, we had outstanding bank guarantees and letters of credits of ₹ 3,328.55 million in relation to the performance of our contractual obligations. In the future, as a result of adverse market condition or for other reasons beyond our control, we may be unable to comply with the terms of our financing agreements, particularly the financial covenants. A violation of the terms of our debt financing agreements may result in the acceleration of repayment or other events of default, as well as the invocation of our guarantees that would trigger significant obligations including enforcement of security, either of which may adversely affect our business and financial condition.

**35. *Our customers may have weak credit histories and we may be unable to receive payment in a timely manner or at all.***

All of our revenue derived from the sale of power is from state-owned distribution companies and their successor distribution companies. We may face difficulty in enforcing payment provisions in our agreements with public procurers in case of delays and non-payment. In addition, in the past, disputes and counterclaims have arisen between transmission companies, electricity boards and generation companies. Facing such disputes, certain entities have refused to perform their obligations under such payment provisions until such disputes or counterclaims have been fully resolved, which can take a substantial period of time. We have also experienced similar difficulties in collecting payments with respect to our generator set business.

Any failure by our counter parties to fulfil their payment obligations to us could have an adverse effect on our financial condition, working capital position, business prospects and results of operations. Any change in the financial position of our customers that adversely affects their ability to pay our Company may adversely affect our financial position and results of operations.

**36. *We may infringe upon the intellectual property rights of others, any misappropriation of which could harm our business, results of operations and financial condition.***

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

In addition, in certain cases, our technological partners may share their intellectual property rights in the course of our business arrangements. If our employees, in violation of any applicable confidentiality agreements, misappropriate our technological partners’ intellectual property rights, our technological partners may seek damages and compensation

from us. This could have an adverse effect on our business, results of operations and financial condition and damage our reputation and relationships with our customers.

**37. *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. We have gained such technical knowledge through our own experiences and skilled personnel through business arrangements with our technological partners, which grant us access to new technologies. Our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Even if all reasonable precautions, whether contractual or otherwise, are taken to protect our confidential technical knowledge of our products and business, there is still a danger that certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. A significant number of our employees have access to confidential design and product information and we cannot assure you that this information will remain confidential. Moreover, our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements. We also enter into non-disclosure agreements with a number of our customers and suppliers but we cannot assure you that such agreements will be successful in protecting our technical knowledge. Such disclosure may prevent any or all of our designs and products from being patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. If confidential technical information in respect of our products or business becomes available to third parties or to the public, any competitive advantage we may have over our competitors could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**38. *Certain of our purchased components in respect of our larger capacity engines are sourced from foreign countries, exposing us to additional risks that may not exist in India.***

We source a portion of our purchased components in respect of certain engines and alternators from overseas, and primarily from Europe and South Korea. Our international sourcing exposes us to a number of potential risks in addition to the risks generally associated with third party sourcing. Such risks include:

- inflation or changes in political and economic conditions;
- changes in import and export duties;
- domestic and foreign customs and tariffs;
- currency rate fluctuations;
- trade restrictions;
- logistical and communications challenges; and
- other restraints and burdensome taxes.

These factors may have an adverse effect on our ability to obtain our purchased components overseas. In particular, if the Indian Rupee were to depreciate significantly against the currencies in which we purchase raw materials from foreign suppliers, our cost of goods sold could increase and adversely affect our results of operations.

**39. *Our Promoters will continue to retain majority shareholding in our Company after the Offer, which will allow them to exercise significant influence over us.***

After the completion of the Offer, our Promoters will hold a majority of our outstanding Equity Shares. Accordingly, our Promoters will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our Memorandum of Association, main objects, business, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, borrowing, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. The interests of our Promoters, as our Company's controlling shareholders, could conflict with our Company's interests, your interests or the interests of our other shareholders. There is no assurance that our Promoters will act to resolve any conflicts of interest in our Company's or your favour.

- 40.** *Some of our Group Companies, our Promoters and members of our Promoter Group, including some of our Directors are involved in ventures that operate in the same line of business as us, which may lead to competition with such persons or entities.*

Some of our Group Companies, our Promoters and members of our Promoter Group, including some of our Directors are involved in ventures which are in the similar line of business as our Company. We may hence have to compete with such persons or entities for business, which may impact our business, financial condition and results of operations. The interests of our Group Companies, our Promoters and members of our Promoter Group may also conflict in material aspects with our interests or the interests of our Shareholders. For further details, see “*Our Promoters and Promoter Group*” and “*Our Group Companies*” beginning on pages 139 and 142, respectively.

- 41.** *We have entered into, and will continue to enter into, related party transactions and we cannot assure you that we could not have achieved more favorable terms had such transactions not been entered into with related parties.*

We have entered into transactions with several related parties, including our Promoters, Directors and Subsidiaries, which were conducted in compliance with applicable laws. We cannot assure you that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. The transactions we have entered into and any future transactions with our related parties could have involved or could potentially involve conflicts of interest. For more information regarding our related party transactions, see “*Financial Statements – Annexure 38*” beginning on page 204.

- 42.** *We have referred to the data derived from industry reports commissioned from Enincon Consulting LLP and TechSci Research Private Limited.*

We have retained the services of independent third party research agencies, Enincon Consulting LLP and TechSci Research Private Limited, to prepare industry reports on the wind power industry and diesel generator set industry, respectively. Their reports are based upon various limitations and assumptions that are subjective. We cannot assure you that the assumptions adopted by these third party agencies for the purposes of preparing their research reports will prove to be accurate. If any of these assumptions are incorrect, the development of the wind power industry and diesel generator set industry in India could be materially different from that set forth in the reports. Accordingly, investors are advised not to place undue reliance on the data derived from the reports in their investment decisions.

- 43.** *We are exposed to, and may be adversely affected by, potential security breaches or other disruptions to our information technology systems and data security.*

We rely on the capacity, reliability and security of our information technology systems and data security infrastructure in connection with various aspects of our business activities. We also rely on our ability to expand and continually update these systems and infrastructure in response to the changing needs of our business. As we implement new systems, they may not perform as expected. We also face the challenge of supporting our older systems and implementing necessary upgrades. In addition, some of these systems are provided by third party service providers, such as the supervisory control and data acquisition software provided to us by Vestas, and are not under our direct control.

If we experience a problem with an important information technology system, including during system upgrades or new system implementations, the resulting disruptions could have an adverse effect on our business and reputation.

The information handled by our information technology systems is vulnerable to security threats. Our operations routinely involve receiving, storing, processing and transmitting sensitive information pertaining to our business, customers, dealers, suppliers, employees and other sensitive matters. Information technology security threats, such as security breaches, computer malware, viruses and other “cyber attacks” which are increasing in both frequency and sophistication, could result in unauthorized disclosures of information or create financial liability, subject us to legal or regulatory sanctions, or damage our reputation with customers, dealers, suppliers and other stakeholders. We continuously seek to maintain a robust program of information security and controls, but the impact of a material information technology breach or disruption could have an adverse effect on our results of operations, financial condition, competitive position and reputation.

- 44.** *Certain of our corporate records including form filings to RoC, board and shareholders' resolutions and challans in relation to RoC forms are not traceable. Additionally, we are also unable to trace certain share transfer forms in relation to transfer of shares to/from our Promoters in our corporate records.*

Certain of our old corporate records in relation to filing of return(s) of allotment and other RoC filings including the forms for certain amendments to Memorandum of Association, challans for RoC filings and board and shareholders resolutions, as applicable, are not traceable. While we had commissioned a physical search of the RoC records through an independent registered company secretary firm, we have not been able to retrieve such documents from RoC records. Additionally, for certain rights issues undertaken by us, we are unable to trace offer letters issued to existing shareholders and renunciation letters received from them in relation to such rights issue. Accordingly, for such above

matters, we have relied on other supporting documents, including the minutes of board and/or shareholders meetings and register of members. Additionally, there can be no assurance that any of the shareholders at the time of rights issue will not claim to have been deliberately not issued letter of offers and equity shares to which they were entitled. While we continue to conduct a search for such documents in our records, we cannot assure you that such records will be available in the future or that we will not be subject to penalties which may be imposed by the RoC in this regard.

We are also unable to trace a number of other old documents, including certain share transfer deeds maintained by our Company. This includes share transfer forms recording the transfer of certain securities (being offered as part of the Offer for Sale) to/from our Selling Shareholders from other Shareholders. Accordingly, for such matters, we have relied on other supporting documents, including the minutes of board and/or register of members. We may be unable to obtain copies of these documents in the future to ascertain details of the relevant transactions.

- 45.** *We did not have adequate internal controls for managing our secretarial records and compliances as a result of which there have been certain inaccuracies and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.*

In the past, our internal controls and compliances for managing our secretarial records and compliances have been inadequate as a result of which there may have been factual inaccuracies, delays and failures in making certain regulatory filings by our Company. For example, (i) annual return forms filed by us for years 1989, 1990 and 1991 reflect the total number of shares allotted by our Company for non-cash consideration inaccurately; and (ii) authorized share capital of our Company is wrongfully mentioned in certain form filings. We cannot assure you that there are no instances of irregularities in regulatory filings/allotments made by our Company which may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation.

Further, there has been a delay in respect of the filings of form FC-TRS for buyback of shares by our Company in respect of securities allotted to non-resident Shareholders. While we have subsequently sought to address the above irregularities in respect of buyback of shares from non-residents by making the necessary representations and filings with the authorized dealer bank, we cannot assure you that the RBI will condone these irregularities, not ask us to initiate compounding proceedings or not impose any penalty or that the penalty imposed will be reasonable and that it will not have a material adverse effect on our financial condition. Further, we cannot assure you that the RBI will not seek more information in relation to the allotments made to non-resident Shareholders in the future and that we will be able to provide satisfactory answers and information for all such queries from the RBI within the timelines prescribed by the RBI or at all.

- 46.** *We do not have certain documents evidencing the biographies of certain of our Directors in the section entitled “Our Management” beginning on page 122.*

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, the brief biographies of our Directors disclosed in the section entitled “*Our Management*” on page 122 include details of their educational qualifications and professional experience. However, the original documents evidencing such educational qualifications and professional experience are not available with some of our Directors. Accordingly, we have relied on affidavits provided by them to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

- 47.** *Our Company will not receive any proceeds from this Offer.*

There is no fresh issue of Equity Shares by our Company in the Offer and Selling Shareholders are selling Equity Shares in the Offer. Accordingly, the funds raised by the sale of our Equity Shares in this Offer will not come to our Company. The primary object of the Offer is to achieve the benefits of listing of our Equity Shares. For further details, see “*Objects of the Offer*” beginning on page 63.

## **External Risk Factors**

### **Risks Related to India**

- 48.** *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products and our ability to obtain financing may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in India is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, and volatility in currency exchange and interest rates. Consequently, any future slowdown in the Indian economy could harm our business and results of operations. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions

prevalent in the areas in which we operate in general and our business in particular and high rates of inflation and interest in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**49. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- Grid codes may impose new requirements on operational wind farms, such as those relating to Low Voltage Ride Through or LVRT capability. We may incur additional costs in complying with these new requirements, which may affect our profitability;
- the GAAR became effective from April 1, 2017. 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; and
- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we cannot assure you as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions

The Government has announced the interim union budget for the Financial Year 2020. Further, the Finance Act, 2019 (the “**Finance Act**”) has proposed various amendments, which has been passed by the Parliament and has received the assent of the President of India. The Finance Act stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

As such, there is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Further, the budget which has been currently proposed for the Financial Year 2020, is merely an interim budget. The full union budget is likely to be announced post the general elections, scheduled this year, pursuant to which the Government may introduce additional tax proposals. We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

We have not determined the impact of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. 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 affect the viability of our current business or restrict our ability to grow our business in the future.

**50. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.***

Our Company is incorporated under the laws of India. Our Company’s assets are primarily located in India and all of our Company’s Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award

damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the pricing and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further details, see "Restrictions on Foreign Ownership of Indian Securities" on page 279.

**52. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Income-tax Act, 1961 levies taxes on long term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. The Income-tax Act, 1961 levies taxes on such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such Equity Shares subject to specific conditions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

**53. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**54. *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. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

***Risks Related to the Offer***

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

Prior to the Offer, 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 Offer. 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 Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth

rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

**56. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

**57. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 65 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

**58. *Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our Promoters or Promoter Group may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

After the completion of the Offer, our Promoters and Promoter Group will own, directly and indirectly, a substantial majority of our post-offer equity share capital. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 51, we cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

**59. *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.***

A public 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 would be diluted.

**60. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

### SECTION III: INTRODUCTION

#### THE OFFER

The following table summarizes the details of the Offer:

Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders <sup>(1)(2)</sup>	Up to 7,618,427 Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
Offer for Sale by Promoter Selling Shareholders	Up to 5,803,229 Equity Shares
Offer for Sale by Promoter Group Selling Shareholder	Up to 761,843 Equity Shares
Offer for Sale by Investor Selling Shareholder	Up to 728,141 Equity Shares
Offer for Sale by Employee Selling Shareholders	Up to 325,214 Equity Shares
<i>of which:</i>	
A) Employee Reservation Portion <sup>(3)(4)</sup>	Up to [●] Equity Shares
B) Net Offer	Up to [●] Equity Shares aggregating up to ₹ [●] million
<i>Of which:</i>	
QIB portion <sup>(5)(6)</sup>	[●] Equity Shares
<i>of which:</i>	
Anchor Investor Portion	Up to [●] Equity Shares
<i>Of which:</i>	
Available for allocation to Mutual Funds only	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
C) Non-Institutional Portion	Not less than [●] Equity Shares
D) Retail Portion	Not less than [●] Equity Shares
<b>Pre- and Post-Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	38,092,129 Equity Shares
Equity Shares outstanding after the Offer	38,092,129 Equity Shares

- (1) The Offer has been authorized by a resolution of our Board of Directors dated July 30, 2018. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders pursuant to resolution passed in its meeting held on March 8, 2019. For further details on the authorisations of the Selling Shareholders in relation to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 253.
- (2) The Selling Shareholders severally and not jointly, specifically confirm that the Equity Shares offered by each of the Selling Shareholders by way of an Offer for Sale in the Offer, are eligible for the Offer in accordance with the SEBI ICDR Regulations. The Equity Shares offered by the Selling Shareholders have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.
- (3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹ 500,000), shall be added to the Net Offer.
- (4) Our Company and the Selling Shareholders, may offer an Employee Discount of up to [●] % (equivalent of ₹ [●]) per Equity Share, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
- (5) Subject to valid bids being received at or above the Offer Price, 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 and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.
- (6) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" beginning on page 268.

Allocation to Bidders in all categories except the Retail Portion and Anchor Investor Portion shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "Offer Procedure" beginning on page 268.

## **SUMMARY FINANCIAL STATEMENTS**

*The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 146 and 231, respectively.*

*[The rest of this page has been intentionally left blank]*

**Restated Consolidated Summary Statement of Assets and Liabilities**

Particulars	R in Million			
	As at			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>ASSETS:</b>				
<b>Non-Current Assets:</b>				
Property, Plant and Equipment	6,422.84	6,706.60	7,514.86	7,373.78
Capital Work-in-Progress	407.75	157.37	76.18	378.74
Goodwill on Consolidation	0.23	0.23	0.23	-
Investment Property	-	-	4.08	13.56
Intangible Assets	24.86	30.67	12.76	9.89
Financial Assets:				
Investments	483.36	830.47	1,265.52	1,327.09
Loans	8.62	3.74	4.30	9.24
Other Financial Assets	89.96	36.33	79.12	70.13
Non-Current Tax Assets (Net)	86.78	91.92	39.48	76.76
Other Non-Current Assets	302.40	433.19	200.62	64.10
	<b>7,826.80</b>	<b>8,290.52</b>	<b>9,197.15</b>	<b>9,323.29</b>
<b>Current Assets:</b>				
Inventories	1,266.30	1,145.77	1,106.98	1,174.22
Financial Assets:				
Investments	1,266.68	521.10	922.95	1,137.33
Trade Receivables	2,171.35	1,904.13	1,734.38	1,677.92
Cash and Cash Equivalents	208.76	73.61	391.72	154.48
Other Bank Balances	13.32	12.07	16.60	12.66
Loans	185.26	54.82	11.18	10.35
Other Financial Assets	124.05	117.30	64.26	62.05
Other Current Assets	660.44	566.69	250.74	541.06
	<b>5,896.16</b>	<b>4,395.49</b>	<b>4,498.81</b>	<b>4,770.07</b>
<b>Total Assets</b>	<b>13,722.96</b>	<b>12,686.01</b>	<b>13,695.96</b>	<b>14,093.36</b>
<b>Equity and Liabilities:</b>				
<b>Equity:</b>				
Equity Share Capital	190.46	76.18	76.18	84.25
Other Equity	9,610.24	9,253.07	8,289.81	7,967.60
	<b>9,800.70</b>	<b>9,329.25</b>	<b>8,365.99</b>	<b>8,051.85</b>
<b>Liabilities:</b>				
<b>Non-Current Liabilities:</b>				
Financial Liabilities:				
Borrowings	57.64	172.91	403.46	979.33
Other Financial Liabilities	3.06	3.06	2.79	1.49
Other Non-Current Liabilities	219.01	224.10	235.58	-
Other Non-Current Provisions	31.84	37.74	30.47	16.93
Deferred Tax Liabilities (Net)	32.29	186.44	314.45	483.62
	<b>343.84</b>	<b>624.25</b>	<b>986.75</b>	<b>1,481.37</b>
<b>Current Liabilities:</b>				
Financial Liabilities:				
Borrowings	77.48	169.64	1,000.00	0.03
Trade Payables:				
Total outstanding dues of Micro Enterprises and Small Enterprises	34.79	41.30	26.48	22.18
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,459.31	1,404.97	1,231.24	1,532.99
Other Financial Liabilities	839.52	447.81	1,404.78	2,108.45
Other Current Liabilities	1,163.92	651.96	665.49	886.05
Current Provisions	3.40	16.83	15.23	10.44
	<b>3,578.42</b>	<b>2,732.51</b>	<b>4,343.22</b>	<b>4,560.14</b>
<b>Total Equity &amp; Liabilities</b>	<b>13,722.96</b>	<b>12,686.01</b>	<b>13,695.96</b>	<b>14,093.36</b>

## Restated Consolidated Summary Statement of Profit & Loss

Particulars	R in Million			
	Year Ended			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Income</b>				
Revenue from Operations	6,577.07	12,631.35	14,062.92	12,991.24
Other Income	88.75	281.82	352.51	287.19
	<b>6,665.82</b>	<b>12,913.17</b>	<b>14,415.43</b>	<b>13,278.43</b>
<b>Expenses:</b>				
Cost of Raw Materials Consumed	3,652.96	7,305.55	7,889.94	7,431.78
Purchase of Stock-In-Trade	443.11	799.85	774.19	703.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in Trade	(0.20)	(24.89)	60.73	(5.64)
Excise Duty on Sales	-	253.96	991.58	988.74
Employee Benefit Expense	494.56	982.97	957.53	788.23
Finance Cost	20.80	101.33	221.91	256.21
Depreciation & Amortization Expense	411.97	889.20	891.36	995.44
Other Expenses	1,102.67	1,519.79	1,329.84	1,157.30
	<b>6,125.87</b>	<b>11,827.76</b>	<b>13,117.08</b>	<b>12,315.16</b>
<b>Profit Before Share (Loss) of Associate</b>	<b>539.95</b>	<b>1,085.41</b>	<b>1,298.35</b>	<b>963.27</b>
<b>Share of Profit (Loss) of Associate</b>	<b>(2.85)</b>	<b>(0.02)</b>	<b>-</b>	<b>-</b>
<b>Profit Before Tax, as Restated</b>	<b>537.10</b>	<b>1,085.39</b>	<b>1,298.35</b>	<b>963.27</b>
Tax Expense				
Current Tax	129.33	254.33	283.74	334.68
Deferred Tax Charge (Credit)	-68.02	(128.55)	(143.94)	(137.89)
MAT Credit Entitlement	-86.61	(0.93)	(22.16)	-
<b>Profit for the Period, as Restated</b>	<b>562.40</b>	<b>960.54</b>	<b>1,180.71</b>	<b>766.48</b>
<b>Other Comprehensive Income</b>				
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent years:</b>				
	-	-	-	-
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:</b>				
Re-measurement gains (losses) on defined benefits plans	1.37	4.16	(8.66)	(0.59)
Income Tax Effect on above	(0.48)	(1.44)	3.00	0.20
<b>Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years</b>	<b>0.89</b>	<b>2.72</b>	<b>-5.66</b>	<b>-0.39</b>
<b>Other Comprehensive Income for the period, net of tax</b>	<b>0.89</b>	<b>2.72</b>	<b>-5.66</b>	<b>-0.39</b>
<b>Total Comprehensive Income for the period, net of tax, as Restated</b>	<b>563.29</b>	<b>963.26</b>	<b>1,175.05</b>	<b>766.09</b>
There are no Exceptional Items and Discontinuing Operations				
<b>Earnings per share</b>				
Basic & Diluted (R)	14.79 *	25.29	29.33	18.19

\* Not Annualised

**Restated Consolidated Summary Statement of Cash Flows**

(₹ in Million)

Particulars	Period Ended			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>A Cash flows from Operating Activities</b>				
Net Profit before Tax, as Restated	537.10	1,085.41	1,298.35	963.27
Adjustments for:				
Depreciation	411.97	889.20	891.36	995.44
Net (Gain) Loss on Sale of Property, Plant and Equipments	(8.58)	(108.98)	(26.54)	(17.85)
Net (Gain) Loss on Sale of Investment Properties	-	(5.30)	(3.16)	-
Dividend from Current Investments	(0.77)	(0.01)	(0.09)	-
Sundry Balances Written off (Back)	7.55	12.03	2.05	17.46
Provision for Doubtful Debts	31.26	(3.34)	0.26	12.94
Net (Gain) Loss on Financial Assets measured at FVTPL	(41.23)	(99.85)	(214.97)	(153.97)
Net (Gain) Loss on Derivative Contracts measured at FVTPL	(9.43)	(3.09)	(13.08)	9.03
Gain on Disposal of Subsidiary	-	(1.18)	(12.60)	-
Unrealised Foreign Variation Loss (Net)	5.50	1.47	(94.89)	(175.41)
Interest Expense	20.80	101.33	221.91	256.21
Interest Income	(21.39)	(41.46)	(45.61)	(73.95)
<b>Operating Profit before Working Capital Changes</b>	932.78	1,826.24	2,002.99	1,833.17
Adjustments for:				
Decrease (Increase) in Trade Receivable	(297.36)	(175.53)	(61.12)	(367.87)
Decrease (Increase) in Other Non-Current Financial Assets	(58.51)	(1.90)	0.42	(10.65)
Decrease (Increase) in Other Non-Current Assets	(1.87)	4.07	(2.29)	1.41
Decrease (Increase) in Other Current Financial Assets	(0.44)	2.40	1.59	1.38
Decrease (Increase) in Other Current Assets	(94.96)	(318.54)	290.51	(289.50)
Decrease (Increase) in Inventories	(120.53)	(38.79)	67.24	207.50
Increase (Decrease) in Other Non-Current Financial Liabilities	-	0.27	1.30	(3.23)
Increase (Decrease) in Other Non-Current Liabilities	(5.08)	(11.48)	235.58	-
Increase (Decrease) in Other Current Financial Liabilities	376.14	(22.54)	24.90	51.07
Increase (Decrease) in Other Current Liabilities	507.26	(14.89)	(220.56)	182.84
Increase (Decrease) in Current Provisions	(12.06)	5.76	(3.87)	6.36
Increase (Decrease) in Non-Current Provisions	(5.90)	7.26	13.55	0.89
Increase (Decrease) in Trade Payables	47.61	187.95	(296.05)	399.54
<b>Cash Generated from Operations</b>	1,267.08	1,450.28	2,054.19	2,012.91
Interest Received	22.47	39.47	49.59	71.69
Direct Taxes (Paid) Refund (Net)	(124.13)	(306.82)	(246.53)	(171.97)
<b>Net Cash from Operating Activities</b>	(A) 1,165.42	1,182.93	1,857.25	1,912.63
<b>B Cash flows from Investing Activities</b>				
Purchase of Property, Plant and Equipment	(231.95)	(1,018.65)	(287.86)	(565.31)
Sale of Property, Plant and Equipment	16.54	148.88	80.90	22.46
Sale of Investment Property	-	9.26	12.20	-
Purchase of Intangibles	(0.03)	(29.54)	(5.43)	(5.17)
Loan Given to Associates	(128.40)	(48.75)	-	-
(Purchase) Sale of Current Investments	(736.19)	591.61	397.49	709.68
(Purchase) Sale of Non - Current Investments	378.94	345.14	93.42	(1,049.72)
Gain on Disposal of Subsidiary	-	1.18	12.60	-
Decrease (Increase) in Bank Balances other than Cash & Cash Equivalents	(1.25)	4.53	(3.94)	19.82
Dividend from Current Non-Trade Term Investments	0.77	0.01	0.09	-
<b>Net Cash from Investing Activities</b>	(B) (701.57)	3.67	299.47	(868.24)
<b>C Cash flows from Financing Activities</b>				
Repayment of Borrowings	(215.52)	(1,564.19)	(1,834.22)	(422.05)
Proceeds from Borrowings	-	169.77	1,000.00	-
Buy Back of Equity Shares	-	-	(860.90)	-
Interest Paid	(21.34)	(110.29)	(224.36)	(262.31)
Dividend & Tax on Dividend	(91.84)	-	-	(506.98)
<b>Net Cash from Financing Activities</b>	(C) (328.70)	(1,504.71)	(1,919.48)	(1,191.34)

<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>135.15</b>	<b>(318.11)</b>	<b>237.24</b>	<b>(146.95)</b>
Cash and Cash Equivalents as at the beginning of the year	73.61	391.72	154.48	301.43
Cash and Cash Equivalents as at the end of the year	208.76	73.61	391.72	154.48

## **GENERAL INFORMATION**

Our Company was incorporated as Consolidated Power Systems Private Limited, a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 4, 1984 issued by the RoC. Our Company became a deemed public limited company under Section 43(A) (1A) of the Companies Act, 1956, and the word “private” was struck off from the name of our Company with effect from June 15, 1988 pursuant to a resolution passed by our Board on July 15, 1988. Subsequently, the name of our Company was changed to Powerica Limited in order to identify with the group, and a fresh certificate of incorporation, dated October 5, 1989, consequent upon change of name was issued by the RoC. For further details of changes in the name and the Registered and Corporate Office of our Company, see “*History and Certain Corporate Matters*” beginning on page 116.

### **Registered and Corporate Office of our Company**

9<sup>th</sup> Floor, Bakhtawar  
Nariman Point  
Mumbai 400 021  
Registration Number: 032825

### **Address of the RoC**

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

The Registrar of Companies, Maharashtra at Mumbai  
Everest, 5<sup>th</sup> Floor  
100 Marine Drive  
Mumbai 400 002

### **Board of Directors of our Company**

As on the date of this Draft Red Herring Prospectus, the composition of the Board of Directors of our Company is as set forth below:

Name	Designation	DIN	Address
Naresh Chander Oberoi	Chairman and Managing Director	00009000	181-B, Jolly Maker Tower Apartments No.1, 18 <sup>th</sup> Floor, Cuffe Parade, Colaba, Mumbai 400 005
Bharat Naresh Oberoi	Joint Managing Director	00083664	31-B, Maker Tower, Cuffe Parade, Mumbai 400 005
Kharatiram Kharak Puri	Non-Executive Non-Independent Director	00015011	50, Sunita, Cuffe Parade, Colaba, Mumbai 400 005
Renu Naresh Oberoi	Executive Director	00114588	181-B, Jolly Maker Apartments 1, Cuffe Parade, Mumbai 400 005
Pradeep Gupta	Whole Time Director	00013424	Flat No. 64, Building No. 3A, Kalpataru Estate, JV Link Road, Andheri East, Mumbai 400 093
Udai Dhawan	Nominee Director	03048040	46, Second Floor, Poorvi Marg, Vasant Vihar, New Delhi 110 057
Ghanshyam Dass	Independent Director	01807011	31A, Sobha Emerald, Sobha Suburb 1A, Behind Jakkur Flying Club, Jakkur, Bangalore 560 064
Dinesh Kumar	Independent Director	01133565	21A, 17 <sup>th</sup> Cross, Malleswaram, Bangalore 560 055
Krishen Dev	Independent Director	00001534	Plot No. 16, Pallod Farms II, Baner, Pune 411 045
Prakash Yashwant Gurav	Independent Director	02004317	Flat 9/10, Mrutunjaya Apartments, 54, Ideal Colony, Kothrud, Pune 411 029
Maheswar Sahu	Independent Director	00034051	A302, Parijat Residency, Judges Bungalow, Bokadev, Ahmedabad 380054
Shailesh Shankerlal Vaidya	Independent Director	00002273	801, Sumer Heights, 8 <sup>th</sup> Floor, Opposite Bhavans College, K.M. Munshi Marg, Mumbai 400007
Vibhav Parikh	Alternate Director to Udai Dhawan	00848207	15-D, Shanaz, 15 <sup>th</sup> Floor, 90, Nepean Sea Road, Mumbai 400 006

For further details of the Directors, see “*Our Management*” beginning on page 122.

### **Company Secretary and Compliance Officer**

Komal Manoj Nagdev is our Company Secretary and Compliance Officer. Her contact details are as set forth below:

**Komal Manoj Nagdev**  
9<sup>th</sup> Floor, Bakhtawar  
Nariman Point  
Mumbai 400 021  
Tel: +91 22 4315 2525

## Investor Grievances

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

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. ASBA Account number in case of ASBA Bidders and unique transaction reference number and the name of the relevant bank in case of Anchor Investors.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Further, the Bidders shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. All grievances relating to Bids submitted through the Registered Broker may be addressed to the Stock Exchange with a copy to the Registrar to the Offer.

## Legal Advisors to the Offer

### *Legal Counsel to our Company as to Indian Law*

**Cyril Amarchand Mangaldas**  
5<sup>th</sup> Floor, Peninsula Chambers  
Peninsula Corporate Park  
Ganpatrao Kadam Marg  
Lower Parel  
Mumbai 400 013  
Tel: +91 22 2496 4455

### *Indian Legal Counsel to the Investor Selling Shareholder*

**J. Sagar Associates**  
Vakils House, 18 Sprott Road  
Ballard Estate  
Mumbai 400 001  
Tel: +91 22 4341 8600

### *Indian Legal Counsel to the Book Running Lead Managers*

**Trilegal**  
Peninsula Business Park  
17th Floor, Tower B,  
Ganpatrao Kadam Marg  
Lower Parel (West)  
Mumbai 400 013  
Tel: +91 22 4079 1000

### *Special United States Legal Counsel to the Book Running Lead Managers*

**Sidley Austin LLP**  
Six Battery Road  
Level 31  
Singapore 049909  
Tel: +65 6230 3900

## Book Running Lead Managers

**ICICI Securities Limited**  
ICICI Centre, H.T. Parekh Marg  
Churchgate  
Mumbai 400 020  
Tel: +91 22 2288 2460  
E-mail: powerica.ipo@icicisecurities.com  
Investor Grievance E-mail:  
customercare@icicisecurities.com  
Website: www.icicisecurities.com  
Contact Person: Shekher Asnani/ Rishi Tiwari  
SEBI Registration Number: INM000011179

**Edelweiss Financial Services Limited**  
14th Floor, Edelweiss House  
Off CST Road, Kalina  
Mumbai 400 098  
Tel: +91 22 4009 4400  
E-mail: powerica.ipo@edelweissfin.com  
Investor Grievance E-mail:  
customerservice.mb@edelweissfin.com  
Website: www.edelweissfin.com  
Contact Person: Prashant Gaikwad  
SEBI Registration Number: INM0000010650

**IIFL Holdings Limited**  
10th Floor, IIFL Centre  
Kamala City, Senapati Bapat Marg  
Lower Parel (West)  
Mumbai 400 013  
Tel: +91 22 4646 4600

E-mail: powerica.ipo@iiflcap.com  
Investor Grievance E-mail: ig.ib@iiflcap.com  
Website: www.iiflcap.com  
Contact Person: Pinkesh Soni/Anant Gupta  
SEBI Registration Number: INM000010940

### **Registrar to the Offer**

**Link Intime India Private Limited**  
C-101, 1<sup>st</sup> Floor, 247 Park  
Lal Bahadur Shashtri Marg  
Vikhroli West  
Mumbai – 400 083  
Tel: +91 22 4918 6200  
E-mail:powerica.ipo@linkintime.co.in  
Investor Grievance E-mail: powerica.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration Number: INR000004058

### **Bankers to the Offer and Escrow Collection Banks**

[•]

### **Sponsor Bank**

[•]

### **Bankers to our Company**

**Kotak Mahindra Bank Limited**  
12 BKC, 8<sup>th</sup> Floor  
G Block, Bandra Kurla Complex  
Bandra (E)  
Mumbai 400 051  
Tel: +91 22 6218 5895  
Email: hiral.dawda@kotak.com  
Website: www.kotak.com

**HDFC Bank Limited**  
HDFC Bank House  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013  
Tel: +91 22 6652 1000  
Email: ajay.dubey@hdfcbank.com  
Website: www.hdfcbank.com

**Standard Chartered Bank**  
Crescenzo, 6<sup>th</sup> Floor  
C-38/39, G Block  
Opposite MCA Club  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Tel: +91 22 6115 8124  
Email: Rajeev.lohia@sc.com  
Website: www.sc.com/in/

### **Syndicate Members**

[•]

### **Statutory Auditors to our Company**

**Jayantilal Thakkar & Co., Chartered Accountants**  
111 (A), Mahatma Gandhi Road  
Fort, Mumbai 400 023  
Tel: +91 22 2265 8800  
E-mail: jtco@vsnl.net  
Peer Review Number: 009456  
Membership no. of Viral A. Merchant (Partner): 116279  
Firm Registration Number: 104133W

## Changes in Auditors

Except as disclosed below, there have been no changes in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus:

Name	Date of Change	Nature of Change	Reason
<b>Jayantilal Thakkar &amp; Co.</b> 111 (A), Mahatma Gandhi Road Fort, Mumbai 400 023 E-mail: jtco@vsnl.net Peer Review Number: 009456 Membership no. of Viral A. Merchant (Partner): 116279 Firm Registration Number: 104133W	September 28, 2017	Appointed as Statutory Auditors	Appointment pursuant to statutory retirement of previous statutory auditor of our Company
<b>Kapoor &amp; Parekh Associates</b> 701, Business Suites 9 S.V. Road, Santacruz (West) Mumbai 400 054 E-mail: sskpas@gmail.com Peer Review Number: 008596 Firm Registration Number: 104803W	September 28, 2017	Discontinuance as Statutory Auditors	Retirement by statutory rotation

## Inter-se Allocation of Responsibilities

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Pre-offer due diligence of our Company's operations/ management/ business plans/ legal. Drafting and designing of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same and drafting and approval of all statutory advertisements.	ICICI Securities, Edelweiss, IIFL	ICICI Securities
2.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments.	ICICI Securities, Edelweiss, IIFL	ICICI Securities
3.	Appointment of advertising agency including co-ordination for agreements to appoint the ad agency and filing of media compliance report to SEBI. Appointment of Registrar to the Offer including co-ordination for agreements to appoint the Registrar to the Offer. Appointment of Banker(s) to the Offer and printer.	ICICI Securities, Edelweiss, IIFL	IIFL
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure.	ICICI Securities, Edelweiss, IIFL	IIFL
5.	Preparation and finalisation of the road-show presentation and frequently asked questions.	ICICI Securities, Edelweiss, IIFL	Edelweiss
6.	International institutional marketing including co-ordination for research briefing. Selection and allocation of International institutional investors for meetings and finalization of roadshow schedules to be done in consultation and with approval of the management.	ICICI Securities, Edelweiss, IIFL	Edelweiss
7.	Domestic institutional marketing including banks/ mutual funds. Selection and allocation of Domestic institutional investors to be done in consultation and with approval of the management.	ICICI Securities, Edelweiss, IIFL	ICICI Securities
8.	Non-Institutional marketing of the Offer	ICICI Securities, Edelweiss, IIFL	IIFL
9.	Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> <li>• Formulating marketing strategies;</li> <li>• preparation of publicity budget, finalizing media and public relations strategy.</li> <li>• Finalizing centres for holding conferences for brokers</li> <li>• Finalizing collection centres; and</li> <li>• Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material.</li> </ul>	ICICI Securities, Edelweiss, IIFL	Edelweiss
10.	Coordination with Stock Exchanges for book building process, filing of letters including software, bidding terminals, mock trading and anchor investor intimation	ICICI Securities, Edelweiss, IIFL	IIFL
11.	Pricing and managing the book and payment of 1% security deposit to the designated stock exchange	ICICI Securities, Edelweiss, IIFL	ICICI Securities
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc.  Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-Offer	ICICI Securities, Edelweiss, IIFL	Edelweiss

S. No.	Activity	Responsibility	Co-ordinator
	<p>activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.</p> <p>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI</p>		

### IPO Grading

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

### Monitoring Agency

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

### Appraising Entity

The Offer, being an offer for sale, the objects of the Offer are not required to, and have not, been appraised.

### Credit Rating

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

### Trustees

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

### Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No.C4 A, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

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 RoC, 100, Everest, Marine Drive, Mumbai 400 002.

### Designated Intermediaries

#### Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link.

### Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes> as updated from time to time.

### Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com> and <https://www.nseindia.com>, as updated from time to time.

## **Broker Centres/ Designated CDP Locations/ Designated RTA Locations**

In accordance with SEBI Circulars CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

## **Expert to the Offer**

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

Our Company has received written consent from our Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, to include their names as required under Section 26 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 examination report dated February 5, 2019 on Restated Financial Information and the statement of special tax benefits dated February 5, 2019 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 U.S. Securities Act.

Our Company has received written consent from Enicon Consulting LLP, as industry analyst to include their name as required under Section 26(5) 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 industry report titled as “*Wind Market Outlook in India 2018 - Examining Opportunities till 2022*” dated April 2018 and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from New Age TechSci Research Private Limited, as industry analyst to include their name as required under Section 26(5) 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 industry reports titled as “*India’s Diesel Gensets Market Forecast and Opportunities, Financial Year 2011 to Financial Year 2025*” dated June 2018, and “*Global Medium Speed Large Generators Market Forecast and Opportunities, 2013 to 2023*” dated May 2018, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

## **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid Cum Application Forms within the Price Band, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and which will either be included in the Red Herring Prospectus or will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date. For details, see “*Offer Procedure*” beginning on page 268.

**All Bidders (other than Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion, can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.**

For further details, see “*Offer Structure*” and “*Offer Procedure*” on pages 266 and 268, respectively. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

## **Underwriting Agreement**

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each 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 filled in before filing of the Prospectus with the RoC.)*

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

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

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

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

## CAPITAL STRUCTURE

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

		(in ₹, except share data)	
		Aggregate Value at Face Value	Aggregate Value at Offer Price
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	50,000,000 Equity Shares (having face value of ₹ 5)	250,000,000	[●]
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	38,092,129 Equity Shares (having face value of ₹ 5)	190,460,645	[●]
<b>C</b>	<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>(1)</sup></b>		
	Offer for Sale of up to 7,618,427 Equity Shares (having face value of ₹ 5) <sup>(2)</sup>	38,092,135	[●]
	Employee Reservation Portion of up to [●] Equity Shares (having face value of ₹ 5) <sup>(3)</sup>	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER</b>		
	38,092,129 Equity Shares (having face value of ₹ 5)	190,460,645	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Offer		Nil
	After the Offer		[●]

- (1) *The Offer has been authorized by a resolution of our Board of Directors dated July 30, 2018. Further, the IPO Committee has taken on record the approval of the Offer for Sale by the Selling Shareholders pursuant to resolution passed in its meeting held on March 8, 2019. For further details on the authorisations of the Selling Shareholders in relation to the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 253.*
- (2) *The Selling Shareholders severally and not jointly, specifically confirm that the Equity Shares offered by each of the Selling Shareholders by way of an Offer for Sale in the Offer, are eligible for the Offer in accordance with the SEBI ICDR Regulations. The Equity Shares offered by the Selling Shareholders have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.*
- (3) *Our Company and the Selling Shareholders, may offer an Employee Discount of up to [●]% (equivalent of ₹ [●]) per Equity Share, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.*

### Notes to the Capital Structure

#### 1. Equity Share capital history of our Company

The history of the equity share capital of our Company is set forth below:

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price/buy-back price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (in ₹)
May 4, 1984	2,000	10	10	Initial subscription to the Memorandum of Association <sup>(1)</sup>	Cash	2,000	20,000
June 1, 1984	92,500	10	10	Pursuant to agreement to assign <sup>(2)</sup>	Other than cash	94,500	945,000
June 28, 1985	30,500	10	10	Further Issue <sup>(3)</sup>	Cash	125,000	1,250,000
June 7, 1986	25,000	10	10	Further Issue <sup>(4)</sup>	Cash	150,000	1,500,000
June 24, 1987	500	10	10	Further Issue <sup>(5)</sup>	Cash	150,500	1,505,000
June 29, 1987	25,000	10	10	Further Issue <sup>(6)</sup>	Cash	175,500	1,755,000
January 11, 1993	58,500	10	10	Rights Issue <sup>(7)</sup>	Cash	234,000	2,340,000
January 23, 1993	1,404,000	10	-	Bonus Issue <sup>(8)</sup>	-	1,638,000	16,380,000
March 31, 1993	17,445	10	-	Pursuant to scheme of amalgamation <sup>(9)</sup>	Other than cash	1,655,445	16,554,450
August 16, 1993	5,815	10	10	Rights Issue <sup>(10)</sup>	Cash	1,661,260	16,612,600
September 17, 1993	139,560	10	-	Bonus Issue <sup>(11)</sup>	-	1,800,820	18,008,200
March 27, 1995	938,231	10	10	Rights Issue <sup>(12)</sup>	Cash	2,739,051	27,390,510
November 20, 2002	(502,020)	10	100	Buy-back <sup>(13)</sup>	Cash	2,237,031	22,370,310
September 3, 2005	842,340	10	10	Rights Issue <sup>(14)</sup>	Cash	3,079,371	30,793,710
March 28, 2007	1,662,152	10	10	Rights Issue <sup>(15)</sup>	Cash	4,741,523	47,415,230

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Value per Equity Share (in ₹)	Issue Price/ buy-back price per Equity Share (in ₹)	Nature of Allotment	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (in ₹)
October 4, 2007	458,857	10	3,268.99	Further Issue <sup>(16)</sup>	Cash	5,200,380	52,003,800
February 10, 2011	Pursuant to a resolution passed by the shareholders of our Company in EGM held on February 10, 2011, our Company sub-divided its equity share capital authorised share capital, such that 20,000,000 equity shares of ₹ 10 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 100,000,000 equity shares of ₹ 2 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of equity shares pursuant to sub-division was 26,001,900 equity shares.						
February 10, 2011	20,801,520	2	-	Bonus Issue <sup>(17)</sup>	-	46,803,420	93,606,840
December 23, 2014	(4,680,342)	2	174.58	Buy-back <sup>(18)</sup>	Cash	42,123,078	84,246,156
September 26, 2016	(4,030,949)	2	185	Buy-back <sup>(19)</sup>	Cash	38,092,129	76,184,258
June 4, 2018	Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company sub-divided its authorised share capital, such that 100,000,000 equity shares of ₹ 2 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 200,000,000 equity shares of ₹ 1 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of equity shares pursuant to sub-division was 76,184,258 equity shares.						
June 5, 2018	114,276,387	1	-	Bonus Issue <sup>(20)</sup>	-	190,460,645	190,460,645
June 7, 2018	Pursuant to a resolution passed resolution passed by the shareholders of our Company in AGM held on May 31, 2018, our Company consolidated its authorised share capital such that 200,000,000 equity shares of ₹ 1 each aggregating to ₹ 200,000,000 were consolidated and reclassified as 40,000,000 Equity Shares of ₹ 5 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares pursuant to consolidation was 38,092,129 Equity Shares having face value of ₹ 5 each.						

- (1) Allotment of 1,000 equity shares each to Naresh Chander Oberoi and Kharatiram Kharak Puri pursuant to subscription to the Memorandum of Association.
- (2) Allotment of 45,000 equity shares each to Naresh Chander Oberoi and Kharatiram Kharak Puri, and allotment of 2,500 equity shares to Mitter Sen, in terms of agreement to assign dated May 23, 1984 between Consolidated Power Systems Private Limited and Hindustan Industrial and Electrical Engineers.
- (3) Further issue of 5,500 equity shares, 15,000 equity shares and 10,000 equity shares to Naresh Chander Oberoi, Kharatiram Kharak Puri and Mitter Sen, respectively.
- (4) Allotment of 10,000 equity shares, 10,000 equity shares and 5,000 equity shares to Naresh Chander Oberoi, Kharatiram Kharak Puri, and Salekh Chandra, respectively.
- (5) Allotment of 500 equity shares to Threegee Engineers Private Limited.
- (6) Allotment of 10,000 equity shares to Bharat Naresh Oberoi, and 5000 equity shares each to Rajat Oberoi (deceased), Renu Naresh Oberoi, and Sunil Kohli.
- (7) Allotment of 29,833 equity shares, 23,667 equity shares, 3,333 equity shares and 1,667 equity shares to Naresh Chander Oberoi, Kharatiram Kharak Puri, Bharat Naresh Oberoi and Rajat Oberoi (deceased), respectively, on rights basis in the ratio of 1:3. The equity shares allotted to Naresh Chander Oberoi also include 2,500 additional equity shares against the application of 3,000 equity shares in addition to his rights entitlement.
- (8) Bonus issue of 670,998 equity shares, 568,002 equity shares, 15,000 equity shares, 79,998 equity shares, 40,002 equity shares and 30,000 equity shares to Naresh Chander Oberoi, Kharatiram Kharak Puri, Mitter Sen, Bharat Naresh Oberoi, Rajat Oberoi (deceased) and Renu Naresh Oberoi, respectively, in the ratio of 6:1.
- (9) Allotment of 700 equity shares to shareholders of the erstwhile Auto Power Controls (Bombay) Private Limited in the ratio of 1:100, and 16,745 equity shares to the erstwhile Pondy Diesel Power and Controls Private Limited in the ratio of 5:1, pursuant to the court orders dated January 6, 1993 and January 22, 1993, respectively, approving the scheme of amalgamation between our Company, the erstwhile Auto Power Controls (Bombay) Private Limited and the erstwhile Pondy Diesel Power and Controls Private Limited, whereby 14,775 equity shares, 170 equity shares, 275 equity shares, 20 equity shares, 1,975 equity shares, 30 equity shares, 180 equity shares, and 20 equity shares were allotted to Naresh Chander Oberoi, PSSPL, Darshan Kumar Puri, Shreekant Bhasin, T.B. Nedungadi, Bharat Naresh Oberoi, Shobha Puri, and Kharatiram Kharak Puri, respectively.
- (10) Allotment of 4,925 equity shares, 57 equity shares, 92 equity shares, 7 equity shares, 658 equity shares, 10 equity shares, 60 equity shares, and 6 equity shares on rights basis to Naresh Chander Oberoi, PSSPL, Darshan Kumar Puri, Shreekant Bhasin, T.B. Nedungadi, Bharat Naresh Oberoi, Shobha Puri and Kharatiram Kharak Puri, respectively, in the ratio of 1:3.
- (11) Bonus issue of 118,200 equity shares, 1,362 equity shares, 2,202 equity shares, 162 equity shares, 15,798 equity shares, 240 equity shares, 1,440 equity shares, 156 equity shares to Naresh Chander Oberoi, PSSPL, Darshan Kumar Puri, Shreekant Bhasin, T.B. Nedungadi, Bharat Naresh Oberoi, Shobha Puri and Kharatiram Kharak Puri, respectively, in the ratio 6:1.
- (12) Allotment on rights basis of 920,731 equity shares, and 17,500 equity shares to Naresh Chander Oberoi and Naresh Chander Oberoi HUF, respectively.
- (13) Buy-back of 368,600 equity shares and 133,420 equity shares held by Naresh Chander Oberoi and Kharatiram Kharak Puri, respectively, by our Company.
- (14) Allotment on rights basis of 337,200 equity shares, 223,335 equity shares, 196,805 equity shares, 67,500 equity shares and 17,500 equity shares, to Naresh Chander Oberoi, Rajat Oberoi (deceased), Bharat Naresh Oberoi, Renu Naresh Oberoi and Naresh Chander Oberoi HUF, respectively.
- (15) Allotment on rights basis of 1,086,960 equity shares, 120,000 equity shares, 174,250 equity shares, 162,002 equity shares, 31,500 equity shares, 61,500 equity shares, 144 equity shares and 25,796 equity shares, to Naresh Chander Oberoi, Kharatiram Kharak Puri, Bharat Naresh Oberoi, Rajat Oberoi (deceased), Naresh Chander Oberoi HUF, Renu Naresh Oberoi, Sunil Kumar Khurana and T.B. Nedungadi, respectively.
- (16) Allotment of 458,857 equity shares to SCP II, pursuant to the Share Subscription cum Shareholders Agreement dated September 25, 2007 between Naresh Chander Oberoi, SCP II, SCP III and our Company. For details, see "History and Other Corporate Matters - Summary of Key Agreements" on page 120.
- (17) Bonus issue of 10,982,432 equity shares, 2,614,720 equity shares, 1,728,024 equity shares, 656,000 equity shares, 176,908 equity shares, 336,000 equity shares, 1,858,664 equity shares, 1,536 equity shares, 1,835,428 equity shares and 611,808 equity shares to Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi-HUF, Bharat Naresh Oberoi, Sunil Kumar Khurana, SCP II and SCP III, respectively, in the ratio of 4:5.
- (18) Buy-back of 2,471,047 equity shares, 588,312 equity shares, 388,805 equity shares, 147,600 equity shares, 39,804 equity shares, 75,600 equity shares, 418,200 equity shares, 346 equity shares, 412,971 equity shares and 137,657 equity shares held by Naresh Chander Oberoi, Kharatiram

*Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Lata Oberoi, Bharat Naresh Oberoi, Sunil Kumar Khurana, SCP II and SCP III, respectively, by our Company.*

- (19) *Buy-back of 371,674 equity shares, 1,749,625 equity shares, 874,812 equity shares, 874,812 equity shares, 123,891 equity shares, 35,824 equity shares and 311 equity shares held by SCP II, Geeta Oberoi, Vara Oberoi (through Geeta Oberoi), Vania Oberoi (through Geeta Oberoi), SCP III, T.B. Nedungadi and Sunil Kumar Khurana, respectively, by our Company.*
- (20) *Bonus issue of 16,428,000 equity shares, 53,706,906 equity shares, 13,901,151 equity shares, 15,884,424 equity shares, 967,245 equity shares, 8,397 equity shares, 1,843,614 equity shares, 614,535 equity shares and 10,922,115 equity shares to Naresh Chander Oberoi, Bharat Naresh Oberoi, Renu Naresh Oberoi, Kharatiram Kharak Puri, T.B. Nedungadi, Sunil Kumar Khurana, SCP II, SCP III and Marina West, respectively, in the ratio of 3:2.*

We are unable to trace certain corporate resolutions or requisite forms filed with the RoC in relation to certain allotments undertaken by our Company. For details, see - “*Risk Factors - Certain of our corporate records including form filings to RoC, board and shareholders' resolutions and challans in relation to RoC forms are not traceable. Additionally, we are also unable to trace certain share transfer forms in relation to transfer of shares to/from our Promoters in our corporate records*” on page 33.

## 2. Equity Shares issued for consideration other than cash or out of revaluation reserves

Except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash:

Date of Allotment	Name of the Allotees	Number of Equity Shares Allotted	Face Value (₹)	Issue Price per Equity Share (₹)	Reason for Allotment	Benefits Accrued to our Company
June 1, 1984	Naresh Chander Oberoi, Kharatiram Kharak Puri and Mitter Sen	92,500	10	N.A.	Allotment of equity shares each in terms of agreement to assign dated May 23, 1984 between our Company and Hindustan Industrial and Electrical Engineers	-
January 23, 1993	Naresh Chander Oberoi, Kharatiram Kharak Puri, Mitter Sen, Bharat Naresh Oberoi, Rajat Oberoi (deceased), Renu Naresh Oberoi	1,404,000	10	N.A.	Bonus issue in the ratio of 6:1	To offer participation in profits of our Company and to offer higher rate of return to the shareholders of our Company
March 31, 1993	Naresh Chander Oberoi, PSSPL, Darshan Kumar Puri, Shreekant Bhasin, T.B. Nedungadi, Bharat Naresh Oberoi, Shobha Puri, and Kharatiram Kharak Puri.	17,445	10	N.A.	Allotment of equity shares to erstwhile shareholders of Pondy Diesel Power and Controls Private Limited and Auto Power Controls (Bombay) Private Limited pursuant to the approval of the scheme of amalgamation <i>vide</i> court orders dated January 6, 1993 and January 22, 1993	-
September 17, 1993	Naresh Chander Oberoi, PSSPL, Darshan Kumar Puri, Shreekant Bhasin, T.B. Nedungadi, Bharat Naresh Oberoi, Shobha Puri and Kharatiram Kharak Puri.	139,560	10	N.A.	Bonus issue in the ratio of 6:1 to the erstwhile shareholders of erstwhile shareholders of Pondy Diesel Power and Controls Private Limited and Auto Power Controls (Bombay) Private Limited	-
February 10, 2011	All existing shareholders of our Company.	20,801,520	2	N.A.	Bonus issue in the ratio of 4:5	-
June 5, 2018	All existing shareholders of our Company.	114,276,387	1	N.A.	Bonus issue in the ratio of 3:2	-

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

## 3. Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Except as disclosed at “*- Equity Share Capital history of our Company*” beginning on page 51, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

**4. Issue of Equity Shares under employee stock option schemes**

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option schemes.

**5. Equity Shares issued in the preceding one year below the Offer Price**

Other than the allotment of Equity Shares made on June 5, 2018 pursuant to the bonus issue (including to Promoters and certain members of Promoter Group), as specified above in “*– Equity Share capital history of our Company*” on page 51, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

## 6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on March 1, 2019:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form (XIV)	
								Number of Voting Rights					Number (a)	As a % of total Shares held (b)		
(A) Promoter and Promoter Group	Promoter and Promoter Group	4	33,306,827	-	-	33,306,827	87.44	33,306,827	-	33,306,827	87.44	-	-	-	-	33,306,827
(B) Public	Public	5	4,785,302	-	-	4,785,302	12.56	4,785,302	-	4,785,302	12.56	-	-	-	N.A.	4,785,302
(C) Non Promoter- Non Public	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying DRs	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by Employee Trusts	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>9</b>	<b>38,092,129</b>	-	-	<b>38,092,129</b>	<b>100</b>	<b>38,092,129</b>	-	<b>38,092,129</b>	<b>100</b>	-	-	-	-	<b>38,092,129</b>

**7. Details of equity shareholding of the major Shareholders of our Company**

- a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on March 1, 2019:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage (%)
1.	Bharat Naresh Oberoi	17,902,302	47.00
2.	Naresh Chander Oberoi	5,476,000	14.38
3.	Kharatiram Kharak Puri	5,294,808	13.90
4.	Renu Naresh Oberoi	4,633,717	12.16
5.	Marina West	3,640,705	9.56
6.	SCP II	614,538	1.61
	<b>Total</b>	<b>375,62,070</b>	<b>98.61</b>

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage (%)
1.	Bharat Naresh Oberoi	17,902,302	47.00
2.	Naresh Chander Oberoi	5,476,000	14.38
3.	Kharatiram Kharak Puri	5,294,808	13.90
4.	Renu Naresh Oberoi	4,633,717	12.16
5.	Marina West	3,640,705	9.56
6.	SCP II	614,538	1.61
	<b>Total</b>	<b>375,62,070</b>	<b>98.61</b>

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, on a fully diluted basis, as of one year prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage (%)
1.	Bharat Naresh Oberoi	17,902,302	47.00
2.	Naresh Chander Oberoi	5,476,000	14.38
3.	Kharatiram Kharak Puri	5,294,808	13.90
4.	Renu Naresh Oberoi	4,633,717	12.16
5.	Marina West	3,640,705	9.56
6.	SCP II	614,538	1.61
	<b>Total</b>	<b>375,62,070</b>	<b>98.61</b>

- d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of two years prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares	Percentage (%)
1.	Bharat Naresh Oberoi	17,902,302	47.00
2.	Naresh Chander Oberoi	5,476,000	14.38
3.	Kharatiram Kharak Puri	5,294,808	13.90
4.	Renu Naresh Oberoi	4,633,717	12.16
5.	SCP II	3,345,608	8.78
6.	SCP III	1,115,020	2.93
	<b>Total</b>	<b>377,67,455</b>	<b>99.15</b>

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

As on the date of this Draft Red Herring Prospectus, our Promoters hold in aggregate 28,673,110 Equity Shares having face value of ₹ 5, constituting 75.28% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

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

The build-up of the shareholding of our Promoters since incorporation of our Company is set forth below.

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares Allotted/ Transferred	Nature of Consideration	Face Value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the Pre- Offer Capital (%)	Percentage of the Post- Offer Capital (%)
<b><i>Naresh Chander Oberoi</i></b>							
May 4, 1984	Initial subscription to the Memorandum of Association	1,000	Cash	10	10	negligible	[●]
June 1, 1984	Pursuant to execution of agreement to assign dated May 23, 1984	45,000	Other than cash	10	10	0.24	[●]
June 28, 1985	Further Issue	5,500	Cash	10	10	0.03	[●]
June 7, 1986	Further Issue	10,000	Cash	10	10	0.05	[●]
January 21, 1989	Transfer <sup>(1)</sup>	500	Cash	10	10	negligible	[●]
October 16, 1990	Transfer <sup>(2)</sup>	5,000	Cash	10	15	0.03	[●]
October 16, 1990	Transfer <sup>(3)</sup>	5,000	Cash	10	15	0.03	[●]
June 15, 1992	Transfer <sup>(4)</sup>	5,000	Cash	10	15	0.03	[●]
August 5, 1992	Transfer <sup>(5)</sup>	5,000	Cash	10	15	0.03	[●]
January 11, 1993	Rights Issue	29,833	Cash	10	10	0.16	[●]
January 23, 1993	Bonus Issue	670,998	-	10	-	3.52	[●]
March 31, 1993	Allotment pursuant to the scheme of amalgamation	14,775	Other than cash	10	-	0.08	[●]
August 16, 1993	Rights Issue	4,925	Cash	10	10	0.03	[●]
September 17, 1993	Bonus Issue	118,200	-	10	-	0.62	[●]
March 27, 1995	Rights Issue	920,731	Cash	10	10	4.83	[●]
May 15, 2001	Transfer <sup>(6)</sup>	1,589	Cash	10	101	0.01	[●]
May 15, 2001	Transfer <sup>(7)</sup>	189	Cash	10	101	negligible	[●]
November 6, 2001	Transfer <sup>(8)</sup>	(240)	Cash	10	101	(negligible)	[●]
November 20, 2002	Buy-back of Equity Shares	(368,600)	Cash	10	100	(1.94)	[●]
September 3, 2005	Rights Issue	337,200	Cash	10	10	1.77	[●]
March 28, 2007	Rights Issue	1,086,960	Cash	10	10	5.71	[●]
October 4, 2007	Transfer <sup>(9)</sup>	(152,952)	Cash	10	3,268.99	0.80	[●]
February 10, 2011	<i>Pursuant to a resolution passed by shareholders of our Company in EGM held on February 10, 2011, our Company sub-divided its equity share capital authorised share capital, such that 20,000,000 equity shares of ₹ 10 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares held by Naresh Chandra Oberoi pursuant to sub-division was 13,728,040 Equity Shares.</i>						
February 10, 2011	Bonus Issue	10,982,432	-	2	-	11.53	[●]
December 23, 2014	Buyback of Equity Shares	(2,471,047)	Cash	2	174.58	(2.59)	[●]
July 23, 2015	Transfer <sup>(10)</sup>	(4,212,308)	Not applicable	2	-	(4.42)	[●]
November 16, 2015	Transfer <sup>(11)</sup>	(3,369,900)	Not applicable	2	-	(3.54)	[●]
May 23, 2016	Transfer <sup>(12)</sup>	(10,768,600)	Not applicable	2	-	(11.31)	[●]
May 23, 2016	Transfer <sup>(13)</sup>	(3,888,617)	Not applicable	2	-	(4.08)	[●]
July 14, 2016	Transfer <sup>(14)</sup>	4,212,300	Not applicable	2	-	4.42	[●]
July 14, 2016	Transfer <sup>(15)</sup>	1,263,700	Not applicable	2	-	1.33	[●]
June 4, 2018	<i>Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company sub-divided its authorised share capital, such that 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares held by Naresh Chander Oberoi pursuant to sub-division was 10,952,000 Equity Shares.</i>						
June 5, 2018	Bonus Issue	16,428,000	-	1	-	8.63	[●]
June 7, 2018	<i>Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company consolidated its authorised share capital such that 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000 were consolidated and reclassified as 40,000,000 Equity Shares of ₹ 5 each aggregating to ₹ 200,000,000. Therefore, the cumulative number of Equity Shares held by Naresh Chander Oberoi pursuant to consolidation was 5,476,000 Equity Shares having face value of ₹ 5 each.</i>						
<b>Sub-Total (A)</b>		<b>5,476,000</b>			<b>14.38</b>		[●]
<b><i>Kharatiram Kharak Puri</i></b>							
May 4, 1984	Initial subscription to	1,000	Cash	10	10	negligible	[●]

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares Allotted/ Transferred	Nature of Consideration	Face Value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the Pre- Offer Capital (%)	Percentage of the Post- Offer Capital (%)
	Memorandum of Association						
June 1, 1984	Pursuant to execution of agreement to assign dated May 23, 1984	45,000	Other than cash	10	10	0.24	[●]
June 28, 1985	Further Issue	15,000	Cash	10	10	0.08	[●]
June 7, 1986	Further Issue	10,000	Cash	10	10	0.05	[●]
January 11, 1993	Rights Issue	23,667	Cash	10	10	0.12	[●]
January 23, 1993	Bonus Issue	568,002	-	10	-	2.98	[●]
March 31, 1993	Allotment pursuant to the scheme of amalgamation	20	Other than cash	10	-	negligible	[●]
August 16, 1993	Rights Issue	6	Cash	10	10	negligible	[●]
September 17, 1993	Bonus Issue	156	-	10	-	negligible	[●]
May 15, 2001	Transfer <sup>(16)</sup>	1,680	Not applicable	10	-	0.01	[●]
May 15, 2001	Transfer <sup>(17)</sup>	2,569	Not applicable	10	-	0.01	[●]
November 20, 2002	Buyback of equity shares	(133,420)	Cash	10	100	(0.70)	[●]
March 28, 2007	Rights Issue	120,000	Cash	10	10	0.63	[●]
February 10, 2011	<i>Pursuant to a resolution passed the shareholders of our Company in EGM held on February 10, 2011, our Company sub-divided its equity share capital authorised share capital, such that 20,000,000 equity shares of ₹ 10 each aggregating to ₹ 200,00,00,000 were sub-divided and reclassified as 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,00,00,000. Therefore, the cumulative number of Equity Shares held by Kharatiram Kharak Puri pursuant to sub-division was 3,268,400 Equity Shares.</i>						
February 10, 2011	Bonus Issue	2,614,720	-	2	-	2.75	[●]
December 23, 2014	Buyback of equity shares	(588,312)	Cash	2	174.58	(0.62)	[●]
June 4, 2018	<i>Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company sub-divided its authorised share capital, such that 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,00,00,000 were sub-divided and reclassified as 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,00,00,000. Therefore, the cumulative number of Equity Shares held by Kharatiram Kharak Puri pursuant to sub-division was 10,589,616 Equity Shares</i>						
June 5, 2018	Bonus Issue	15,884,424	-	1	-	8.34	[●]
June 7, 2018	<i>Pursuant to a resolution passed resolution passed by the shareholders of our Company in AGM held on May 31, 2018, our Company consolidated its authorised share capital such that 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,00,00,000 were consolidated and reclassified as 40,000,000 Equity Shares of ₹ 5 each aggregating to ₹ 200,00,00,000. Therefore, the cumulative number of Equity Shares held by Kharatiram Kharak Puri pursuant to consolidation was 5,294,808 Equity Shares having face value of ₹ 5 each.</i>						
<b>Sub-Total (B)</b>		<b>5,294,808</b>				<b>13.90</b>	<b>[●]</b>
<b><i>Bharat Naresh Oberoi</i></b>							
June 29, 1987	Further Issue	10,000	Cash	10	10	0.05	[●]
January 11, 1993	Rights Issue	3,333	Cash	10	10	0.02	[●]
January 23, 1993	Bonus Issue	79,998	-	10	-	0.42	[●]
March 31, 1993	Allotment pursuant to the scheme of amalgamation	30	Other than cash	10	-	negligible	[●]
August 16, 1993	Rights Issue	10	Cash	10	10	negligible	[●]
September 17, 1993	Bonus Issue	240	-	10	-	negligible	[●]
September 3, 2005	Rights Issue	196,805	Cash	10	10	1.03	[●]
March 28, 2007	Rights Issue	174,250	Cash	10	10	0.91	[●]
February 10, 2011	<i>Pursuant to a resolution passed the shareholders of our Company in EGM held on February 10, 2011, our Company sub-divided its equity share capital authorised share capital, such that 20,000,000 equity shares of ₹ 10 each aggregating to ₹ 200,00,00,000 were sub-divided and reclassified as 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,00,00,000. Therefore, the cumulative number of Equity Shares held by Bharat Naresh Oberoi pursuant to sub-division was 2,323,330 Equity Shares.</i>						
February 10, 2011	Bonus Issue	1,858,664	-	2	-	1.95	[●]
December 23, 2014	Buyback of equity shares	(418,200)	Cash	2	174.58	(0.44)	[●]
July 23, 2015	Transfer <sup>(10)</sup>	4,212,308	Not applicable	2	-	4.42	[●]

Date of Allotment/ Transfer	Nature of Transaction	Number of Equity Shares Allotted/ Transferred	Nature of Consideration	Face Value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the Pre- Offer Capital (%)	Percentage of the Post- Offer Capital (%)
November 16, 2015	Transfer <sup>(11)</sup>	3,369,900	Not applicable	2	-	3.54	[●]
May 23, 2016	Transfer <sup>(12)</sup>	10,768,600	Not applicable	2	-	11.31	[●]
July 14, 2016	Transfer <sup>(14)</sup>	(4,212,300)	Not applicable	2	-	(4.42)	[●]
June 4, 2018	<i>Pursuant to a resolution passed by shareholders of our Company in AGM held on May 31, 2018, our Company sub-divided its authorised share capital, such that 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,00,00,000 were sub-divided and reclassified as 200,00,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,00,00,000. Therefore, the cumulative number of Equity Shares held by Bharat Naresh Oberoi pursuant to sub-division was 35,804,604 Equity Shares.</i>						
June 5, 2018	Bonus Issue	53,706,906	-	1	-	28.20	[●]
June 7, 2018	<i>Pursuant to a resolution passed resolution passed by the shareholders of our Company in AGM held on May 31, 2018, our Company consolidated its authorised share capital from equity shares of ₹ 1 each to Equity Shares of face value of ₹ 5 each. Therefore, the cumulative number of Equity Shares held by Bharat Naresh Oberoi pursuant to consolidation was 17,902,302 Equity Shares having face value of ₹ 5 each.</i>						
<b>Sub-Total (C)</b>		<b>17,902,302</b>				<b>47</b>	[●]
<b>Total (A+B+C)</b>		<b>28,673,110</b>				<b>75.28</b>	

- (1) Transfer of 500 equity shares from Threegee Engineers Private Limited to Naresh Chander Oberoi.  
(2) Transfer of 5000 equity shares from Salekh Chander to Naresh Chander Oberoi.  
(3) Transfer of 5000 equity shares from Mitter Sen to Naresh Chander Oberoi.  
(4) Transfer of 5000 equity shares from Mitter Sen to Naresh Chander Oberoi.  
(5) Transfer of 5000 equity shares from Sunil Kohli to Naresh Chander Oberoi.  
(6) Transfer of 1,589 equity shares from PSSPL to Naresh Chander Oberoi.  
(7) Transfer of 189 equity shares from Shreekant Bhasin to Naresh Chander Oberoi.  
(8) Transfer from Naresh Chander Oberoi to Sunil Kumar Khurana.  
(9) Transfer of 152,952 equity shares from Naresh Chander Oberoi to SCP III pursuant to the Share Purchase Agreement September 25, 2007.  
(10) Transfer of 4,212,308 equity shares from Naresh Chander Oberoi to Bharat Naresh Oberoi by way of gift.  
(11) Transfer of 3,369,900 equity shares from Naresh Chander Oberoi to Bharat Naresh Oberoi by way of gift.  
(12) Transfer of 10,768,600 equity shares from Naresh Chander Oberoi to Bharat Naresh Oberoi by way of gift.  
(13) Transfer of 3,888,617 equity shares from Naresh Chander Oberoi to Renu Naresh Oberoi by way of gift.  
(14) Transfer of 4,212,300 equity shares from Bharat Naresh Oberoi to Naresh Chander Oberoi by way of gift.  
(15) Transfer of 1,263,700 equity shares from Renu Naresh Oberoi to Naresh Chander Oberoi by way of gift.  
(16) Transfer of 1,680 equity shares from Shobha Puri to Kharatiram Kharak Puri by way of gift.  
(17) Transfer of 2,569 equity shares from Darshan Kumar Puri to Kharatiram Kharak Puri by way of gift.

Our Promoters hold 28,673,110 Equity Shares in our Company, which is equivalent to 75.28% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to any pledge.

#### b) Shareholding of our Promoters and Promoter Group

The details of shareholding of our Promoters and Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the Shareholder	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
<b>A. Promoters</b>					
1.	Naresh Chander Oberoi	5,476,000	14.38	[●]	[●]
2.	Kharatiram Kharak Puri	5,294,808	13.90	[●]	[●]
3.	Bharat Naresh Oberoi	17,902,302	47.00	[●]	[●]
	<b>Total (A)</b>	<b>28,673,110</b>	<b>75.28</b>	<b>[●]</b>	<b>[●]</b>
<b>B. Promoter Group</b>					
1.	Renu Naresh Oberoi	4,633,717	12.16	[●]	[●]
	<b>Total (B)</b>	<b>4,633,717</b>	<b>12.16</b>	<b>[●]</b>	<b>[●]</b>
	<b>Total (A+B)</b>	<b>33,306,827</b>	<b>87.44</b>	<b>[●]</b>	<b>[●]</b>

Our Promoter Group holds 4,633,717 Equity Shares in our Company, which is equivalent to 12.16% of the issued, subscribed and paid-up Equity Share capital of our Company.

c) *Details of Promoters' Contribution and Lock-in*

In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment are set forth below.

Date of Allotment/ Transfer*	Nature of Transaction	Consideration	Number of Equity Shares	Face Value (₹)	Issue/ Acquisition Price per Equity Share (₹)	Number of Equity Shares Locked-in <sup>(1)(2)</sup>	Percentage of Post-Offer Paid-up Equity Share Capital (%)
[●]							
[●]	[●]	[●]	[●]	5	[●]	[●]	[●]
[●]							
[●]	[●]	[●]	[●]	5	[●]	[●]	[●]
[●]							
[●]	[●]	[●]	[●]	5	[●]	[●]	[●]

\* Subject to finalisation of Basis of Allotment

(1) For a period of three years from the date of Allotment

(2) All Equity Shares were fully paid-up at the time of allotment

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for a period of three years as Promoters' contribution have been financed from their individual accounts and no loans or financial assistance from any bank or financial institution has been availed for such purpose. For details of the build-up of the equity share capital held by our Promoters, see "*- History of the Equity Share Capital held by our Promoters*" beginning on page 56.

In this connection, we confirm the following:

- (i) The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash or out of revaluation of assets or capitalisation of intangible assets; (b) Equity Shares that have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
- (ii) The Promoters' contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;
- (iv) The Equity Shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge; and
- (v) All the Equity Shares held by the Promoters are held in dematerialised form.

d) *Other requirements in respect of lock-in:*

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, except for the Equity Shares sold pursuant to the Offer for Sale and any other categories of shareholders exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

The Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of 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 SEBI Takeover Regulations, as applicable.

The Equity Shares held by the 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 or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such

banks or public financial institutions or Systemically Important NBFCs or housing finance companies, provided that pledge of the Equity Shares is one of the terms of the sanction of loans. The lock-in may continue pursuant to the invocation of pledge; however, the transferee shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period.

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

e) *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

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

9. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.
10. As on the date of filing of this Draft Red Herring Prospectus, the total number of shareholders of our Company is nine.
11. Neither our Promoters, nor any member of our Promoter Group, any of the Directors of our Company or any of their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
12. There have been no financing 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 relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
13. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.
14. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.
15. All Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
16. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
17. The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 6(1) of SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB 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 Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Offer includes a reservation of up to [●] Equity Shares for purchase by Eligible Employees of our Company under the Employee Reservation Portion for cash at a price of ₹ [●] per Equity Share, aggregating up to ₹ [●] million.
18. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category including the Employee Reservation Portion, except in the QIB Portion, would be allowed to be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the Book Running Lead Managers and the Designated Stock Exchange.
19. Any oversubscription to the extent of 1% of the Offer Size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

20. Our Promoters and Promoter Group shall not participate in the Offer, except to the extent of the Offer for Sale.
21. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
23. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
24. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of the Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

## OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of up to 7,618,427 Equity Shares by the Selling Shareholders. The Offer comprises an offer for sale by the Selling Shareholders. Further, the listing of Equity Shares will enhance our Company's brand name and provide liquidity to the existing Shareholders. Our Company expects that the proposed listing will also provide a public market for the Equity Shares in India. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses (other than listing fees) and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

### **Offer Expenses**

The Offer expenses are estimated to be approximately ₹ [●] million. The Offer expenses comprise listing fee, underwriting fee, selling commission and brokerage, fee payable to the BRLMs, legal counsel, Registrar to the Offer, Escrow Collection Bank, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, fees payable to the Sponsor Banks for Bids made by RIBs using UPI mechanism, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fee (which shall be borne by our Company), all other expenses for the Offer shall be shared amongst the Selling Shareholders in the following manner:

- (i) if the Offer is successful or is withdrawn pursuant to a decision, in writing, by our Company and each of the Selling Shareholders, all Offer related expenses shall be borne by each of the Selling Shareholders in proportion to the Equity Shares proposed to be transferred by each Selling Shareholder in the Offer;
- (ii) in the event that the Investor Selling Shareholder withdraws its participation in the Offer and such withdrawal results in the Offer being withdrawn in its entirety or results in re-filing of the Draft Red Herring Prospectus, all Offer related expenses shall be borne by the Investor Selling Shareholder and neither our Company nor the Promoter Selling Shareholders and/or Promoter Group Selling Shareholder will bear any expenses related to the Offer and all such expenses already borne by our Company will be refunded by the Investor Selling Shareholder to our Company;
- (iii) in the event that the Promoter Selling Shareholders and/or the Promoter Group Selling Shareholder withdraw their participation in the Offer and such withdrawal results in the Offer being withdrawn in its entirety or results in re-filing of the Draft Red Herring Prospectus, all Offer related expenses shall be borne by the Promoter Selling Shareholders and/or the Promoter Group Selling Shareholder and not by the Investor Selling Shareholder and all such expenses already borne by our Company will be refunded by the Promoter Selling Shareholders and/or the Promoter Group Selling Shareholder to our Company; and
- (iv) in the event that the Investor Selling Shareholder withdraws its participation in the Offer and such withdrawal does not result in the Offer being withdrawn in its entirety or does not result in re-filing of the Draft Red Herring Prospectus, all Offer related expenses shall be borne by the Promoter Selling Shareholders and/or the Promoter Group Selling Shareholder and/or the Employee Selling Shareholders and the Company will not bear any expenses related to the Offer.

All such expenses shall be directly deducted from the Public Offer Account and to the extent any expenses attributable to the Selling Shareholders have been paid by our Company, they will be reimbursed to our Company directly from the Public Offer Account.

The break-up for the Offer expenses is as follows:

<b>Activity</b>	<b>Amount <sup>(1)</sup> ₹ in million)</b>	<b>As a % of total estimated Offer related expenses<sup>(1)</sup></b>	<b>As a % of Offer size<sup>(1)</sup></b>
BRLM's fees and commissions (including brokerage, underwriting commission and selling commission)	[●]	[●]	[●]
Commission and processing fee for SCSBs and Bankers to the Offer and brokerage and selling commission for Members of the Syndicate, Registered Brokers, RTAs or CDPs, fees payable to the Sponsor Banks for Bids made by RIBs using UPI mechanism <sup>(2)(3)(4)(5)</sup>	[●]	[●]	[●]
Fee payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others <ul style="list-style-type: none"> <li>• Listing fee</li> <li>• SEBI and Stock Exchanges processing fee and book building software fees</li> <li>• Fees payable to legal counsel</li> <li>• Miscellaneous</li> </ul>	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

- (1) Will be completed after finalisation of the Offer Price
- (2) Selling commission payable to the SCSBs on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:
 

Portion for Retail Individual Investors\* [●]% of the Amount Allotted (plus applicable taxes)

Portion for Non-Institutional Investors\* [●]% of the Amount Allotted (plus applicable taxes)

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

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE. No processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them. SCSBs will be entitled to a processing fee of ₹[●] per ASBA Form for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate/agents, Registered Brokers, RTAs or CDPs and submitted to the SCSBs (All of the above amounts are exclusive of applicable taxes).
- (3) Members of the Syndicate, RTAs, CDPs and SCSBs (for the forms directly procured by them) will be entitled to selling commission as below:
  - Portion for RIBs: [●]% of the Amount Allotted
  - Portion for Non-Institutional Bidders: [●]% of the Amount Allotted

\* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price
- (4) Registered Brokers will be entitled to a commission of ₹[●] per every valid ASBA Form directly procured by such Registered Broker and uploaded on the electronic bidding system of the Stock Exchanges.
- (5) Sponsor Banks will be entitled to a commission of ₹[●] per every valid ASBA Form for Bids made by RIBs using UPI mechanism

### **Monitoring Utilization of Funds**

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

### **Other Confirmations**

Except to the extent of any proceeds received pursuant to the sale of Equity Shares proposed to be sold by the Promoter Selling Shareholders and the Promoter Group Selling Shareholder, none of our Promoters, Directors, Key Managerial Personnel, Promoter Group or Group Companies will receive any proceeds from the Offer.

## BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation the BRLMs, on the basis of an assessment of market demand for the Equity Shares by the Book Building process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 5 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “*Risk Factors*”, “*Our Business*”, “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 20, 95, 146 and 231, respectively, to have an informed view before making an investment decision.

### **Qualitative Factors**

Some of the qualitative factors which form the basis for the Offer Price are:

- (a) Our established leadership in the diesel generator set market;
- (b) Alliances with industry leaders;
- (c) Strong technical and execution capabilities;
- (d) Large and diversified customer base;
- (e) Experienced and proven management team; and
- (f) Strong financial performance.

For details, see “*Our Business*” and “*Risk Factors*” beginning on pages 95 and 20, respectively.

### **Quantitative Factors**

The information presented below is after considering the sub-division, the bonus issue and consolidation of Equity Shares pursuant to the resolution of the Board and the shareholders of our Company dated May 24, 2018 and May 31, 2018 respectively. The information presented below is based on the Restated Financial Information for our Company prepared in accordance with Ind AS, the Companies Act and the SEBI ICDR Regulations. For details, see “*Financial Statements – Auditor’s Report*” beginning on page 147.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows (as adjusted for the face value of the Equity Shares of our Company of ₹ 5):

#### **1. Basic and Diluted Earnings per Share (“EPS”)**

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	25.29	25.29	3
March 31, 2017	29.33	29.33	2
March 31, 2016	18.19	18.19	1
<b>Weighted Average</b>	<b>25.45</b>	<b>25.45</b>	-
<b>Six months period ended September 30, 2018*</b>	<b>14.79</b>	<b>14.79</b>	-

\* Not Annualised

Notes:

$$\text{Basic and Diluted Earnings per share (r)} = \frac{\text{Net profit as restated, attributable to Equity Shareholders}}{\text{Weighted Average number of equity shares outstanding during the year}}$$

- Earnings Per Share calculations are done in accordance with Indian Accounting Standard 33 on “Earnings Per Share” issued by the Institute of Chartered Accountants of India.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.
- The face value of each equity share was ₹ 5.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the Financial Year, adjusted by the number of Equity Shares issued during the Financial Year multiplied by the time-weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the Financial Year.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information.

#### **2. Price Earnings Ratio (P/E) in relation to the Offer price of ₹ [●] per Equity Share**

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Financial Year 2018 on Restated Financial Information	[●]	[●]
Based on diluted EPS for Financial Year 2018 on Restated Financial Information	[●]	[●]

### 3. Industry Peer Group P/E ratio

There are no listed entities in India whose business portfolio is comparable with that of our business.

### 4. Return on Net Worth (RoNW)

As per the Restated Financial Information:

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2018	10.33	3
March 31, 2017	14.05	2
March 31, 2016	9.51	1
<b>Weighted Average</b>	<b>11.43</b>	-
<b>Six months period ended September 30, 2018*</b>	<b>5.75</b>	-

\* Not Annualised

Notes:

- Return on net worth (%) = Restated profit after tax for the year/ net worth as at the end of year
- Net worth represents sum of Equity share capital and other equity (including Securities premium, General reserve, Special economic re-investment reserve and Retained earnings).
- Weighted average RoNW is aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. ((RONW x weight) for each year)/(total of weights).

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

Net Asset Value per Equity Share	Consolidated (₹)
As on September 30, 2018	257.29
After the Offer	[●]
Offer Price	[●]

Notes:

Net Asset Value (NAV) per equity share (*r*) =  $\frac{\text{Net Worth, as restated at the end of the year}}{\text{Number of Equity shares at the end of the year / period}}$

- Net Worth means Equity Share Capital and Reserves and Surplus as appearing in Restated Statement of Assets and Liabilities.
- Offer Price per Equity Share will be determined on conclusion of the Book Building Process

### 6. Comparison with listed industry peers

There is no comparable listed peer in India. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

The Offer Price of ₹ [●] has been determined by our Company and the Selling Shareholders in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company, the Selling Shareholders and the BRLMs believe that the Offer Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters. Investors should read the aforementioned information along with the sections titled “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” beginning on pages 20, 95, 231 and 146, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

The Offer Price is [●] times of the face value of the Equity Shares.

## **STATEMENT OF SPECIAL TAX BENEFITS**

### **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO POWERICA LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

Date: February 5, 2019

To  
**The Board of Directors**  
**Powerica Limited**  
9th Floor, Bakhtawar,  
Nariman Point, Mumbai – 400 021,  
Maharashtra, India

**Re: Statement of possible special tax benefits (“the Statement”) available to Powerica Limited (“the Company”) and its shareholders prepared in accordance with the requirement in Paragraph 9(L) of Part A of Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the Regulations”)**

We, hereby report that the enclosed Annexure prepared by the Company, initialled by us and the Company for identification purpose, states the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “Act”) by the Finance Act, 2018 i.e. applicable for financial year 2018-2019, relevant to the assessment year 2019-2020 presently in force in India as on the date of this certificate. Several of these possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the Annexure and its contents is the responsibility of the Management. We were informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offer for sale particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

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

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

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

We hereby consent to the extracts of this certificate being used in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus of the Company in connection with the Offer and the submission of this certificate to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, the relevant Registrar of Companies in India.

**For Jayantilal Thakkar & Co  
Statutory Auditors  
Firm Registration No: 104133W**

**Place: Mumbai  
Date: February 5, 2019**

**Viral A. Merchant  
Partner  
Membership No.116279**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the financial year 2018-2019 relevant to the assessment year 2019-2020). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil. This Statement is intended to provide the tax benefits to the Company and its shareholders in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions of potential tax consequences of the subscription, purchase, ownership or disposal etc. of equity shares. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

### **UNDER THE INCOME TAX ACT, 1961 AND RULES THEREOF (“THE ACT”)**

#### **A. BENEFITS TO THE COMPANY UNDER THE ACT:**

##### **a) Special Income tax benefits available to the Company**

The following specific income tax benefits may be available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws on certain eligible projects / contracts:

###### **1. Tax Holiday under 80IA of the Act**

In accordance with and subject to the conditions specified in Section 80-IA(4)(iv) of the Act, the Company will be entitled for a deduction of an amount equal to hundred percent of profits or gains derived from an undertaking which is set up in India for generation or generation and distribution of power for any ten consecutive assessment years(AY) out of fifteen years beginning from the year in which the undertaking has started its operation.

###### **2. Depreciation under Section 32(1)(i) of the Act**

The Company is engaged in the business of generation of power and the company has an option under Section 32(1)(i) of the Act to claim depreciation on the straight line method on the actual cost of the assets instead of the written down value method based on written down value of block of assets. The Company has exercised this option and it has claimed depreciation on Straight Line Method for some of its projects. It may be noted that once the option is exercised, it will have to be adopted for all subsequent assessment years.

#### **B. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY UNDER THE ACT**

There are no Special income tax benefits available to the shareholders of the Company.

Notes:

1. All the above benefits are as per the current tax law and any change or amendment in the laws/regulation, which when implemented would impact the same.
2. The stated benefits will be available only to the sole/ first named holder in case the equity shares are held by joint holders.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/ her participation in the Offer.
4. The above statement of possible special tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares held as investment (and not as stock in trade). Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of the Equity Shares.
5. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information contained in this section is derived from the TechSci report titled “India’s Diesel Gensets Market Forecast and Opportunities, Financial Year 2011 to Financial Year 2025” dated June 2018 (“TechSci DG Report”), the TechSci report titled “Global Medium Speed Large Generators Market Forecast and Opportunities, 2013 to 2023” dated May 2018 (“TechSci Global MSLG Report”), the Enincon report titled “Wind Market Outlook in India 2018- Examining Opportunities till 2022” dated April 2018 (“Enincon Report”) and other publicly available sources. Neither we, nor any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

#### Overview of Indian Economy

India is expected to be the third largest consumer economy as its consumption may triple to USD 4 trillion by 2025, due to a shift in consumer behavior and expenditure pattern and is estimated to surpass the US and become the second largest economy in terms of purchasing power parity by the year 2040. India's ranking in the world has improved to 126 in terms of its per capita GDP, based on purchasing power parity, as it increased to USD 7,170 in 2017. India's GDP is expected to reach USD 6 trillion by the financial year 2027 and achieve an upper-middle income status due to digitization, globalization, favourable demographics and reforms. India is also focusing on renewable sources to generate energy. India is expected to increase its energy achieved from non-fossil sources from 30% in 2018 to 40% by 2030. India is also expected to increase its renewable energy capacity from 62 gigawatt (“GW”) to 175 GW by 2022. (Source: Enincon Report)

The following table sets forth India's annual percentage change in macroeconomic indicators, during the financial years 2016 to 2018:

Indicators	Financial Years		
	2016	2017	2018
Real GDP	7.6%	7.0%	7.3%
Consumer price index	4.9%	4.8%	5.0%
Reserve bank repo rate	7.0%	6.4%	5.9%
Exports of goods and services, national accounts basis	(5.2)%	4.5%	4.6%
Imports of goods and services, national accounts basis	(2.8)%	(2.3)%	5.4%

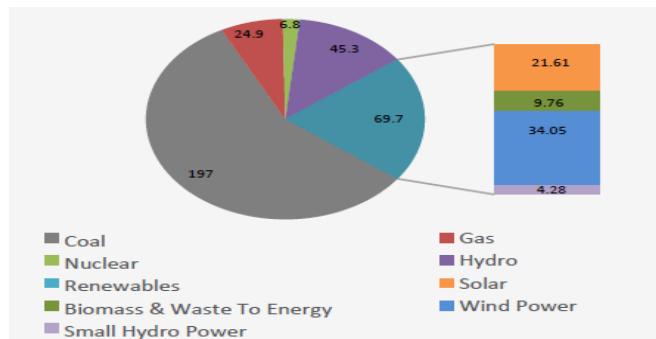
(Source: TechSci DG Report)

Corporate earnings in India are expected to grow by over 20% in the financial year 2018 supported by the normalisation of profits. India's labour force is expected to reach approximately 160 to 170 million by 2020, due to the rate of population growth, increased labour force participation and higher education enrolment, among other factors.

#### Indian Power Sector

As of March 2018, India had the installed power generation capacity of approximately 344 GW. Thermal sources, such as coal and gas, had the largest contribution at approximately 222 GW. Renewable sources followed with a contribution of 69.7 GW, spread across small hydro, solar, wind, biomass and waste to energy segments. Further, 45.3 GW and 6.78 GW of capacities were installed across the large hydro power segment and the nuclear power segment, respectively. India's high dependence on thermal generation sources poses a serious threat to the energy security of India in terms of fuel availability, long term economic viability and environmental sustainability.

The following chart sets forth the resource wise installed capacity of India, as of March 2018, (in GW):



(Source: Enincon Report)

As per World Bank estimates, India has witnessed tremendous economic growth rate over the past five years with an increase of approximately 1.5% in its annual GDP growth rate from 2012 to 2017, due to the rise in industrial and commercial expansions. To support increasing economic growth India has added approximately 127 GW of power generation capacities across different resources from 2012 to 2017. It is significant to note that the year-on-year thermal power generation capacity in India has declined

from 20 GW to 8 GW from 2012 to 2017 due to factors like the muted power purchase scenario which is supported by the poor financial health of distribution utilities and the availability of coal and gas. In 2016, India faced a power deficit of 4.8 GW.

However, after 2014 due to significant support from the central government, India witnessed 2.5 times growth in its renewable capacity additions. The year-on-year renewable power generation capacity addition in India increased from 2 GW in 2012 to 15 GW 2017. Additionally, the capacity addition pace of nuclear sources has remained subdued with an addition of 2 GW in the same time period due to environmental risks and challenges such as opposition from locals and environmental groups. (*Source: Enincon Report*)

### ***Electricity demand and supply scenario***

India is expected to maintain a strong GDP growth rate trajectory of 7.8% by 2020 and the need for power demand is expected to increase in the next few years due to developments in basic infrastructure. India is expected to witness a power demand of 189.6 GW by 2022, which is expected to be met by 180 GW of capacities, thereby causing an unmet demand gap of 9 GW in 2022. There have been additions of new power generation capacities across different resources during the past five years. However, India still faced a power demand deficit of 4.8 GW in 2016. Therefore, it is important to put in efficient measures which can determine the exact peak power demand of the states. (*Source: Enincon Report*)

The following table sets forth the power supply position in India:

Financial Year	Peak Demand				Energy Requirement			
	Demand (MW)	Availability (MW)	Deficit		Demand (MU)	Availability (MU)	Deficit	
			(MW)	(%)			(MU)	(%)
2010	119,166	104,009	(15,157)	(12.7)	830,594	746,644	(83,950)	(10.1)
2011	122,287	110,256	(12,031)	(9.8)	861,591	788,355	(73,236)	(8.5)
2012	130,006	116,191	(13,815)	(10.6)	937,199	857,886	(79,313)	(8.5)
2013	135,453	123,294	(12,159)	(9.0)	995,557	908,652	(86,905)	(8.7)
2014	135,918	129,815	(6,103)	(4.5)	1,002,257	959,829	(42,428)	(4.2)
2015	148,166	141,160	(7,006)	(4.7)	1,068,923	1030,785	(38,138)	(3.6)
2016	153,366	148,463	(4,903)	(3.2)	1,114,408	1,090,850	(23,558)	(2.1)
2017	159,542	156,934	(2,608)	(1.6)	1,142,929	1,135,334	(7,595)	(0.7)
2018	164,066	160,752	(3,314)	(2.0)	1,212,134	1,203,567	(8,567)	(0.7)

Note: 1) Up to March 2018 (Provisional). 2) MW refers to Megawatt, MU refers to Million Unit. (*Source: Power Sector at a glance-All India by the Government of India- Ministry of Power as of April 30, 2018 at <https://powermin.nic.in/en/content/power-sector-glance-all-india>*)

### ***Factors affecting the generation of electricity in India***

The region wise power demand scenario, government policy initiatives, investments made in power markets, availability and constraints of resources, difficulty of obtaining environmental approvals and land clearances, degrading financial health of state distribution utilities and detractors or risks associated with competitive bidding are some factors currently affecting electricity demand in India. (*Source: Enincon Report*)

### **The Diesel Generators Market in India**

#### ***Overview***

The rising demand for standby backup power from diverse end users and increased investment in infrastructure projects are projected to increase the demand for diesel gensets (“generators”) during the financial years 2019 to 2025. Different government sponsored projects such as 100 smart cities, Atal Mission for Rejuvenation and Urban Transformation (“AMRUT”), dedicated freight corridors and the national highways project launched by the Union Transport and Highway Ministry in 2016, which aimed to develop roads in 12 states as national highways and two expressways, are expected to increase construction activities in the coming years, thereby positively impacting India’s diesel generators power market.

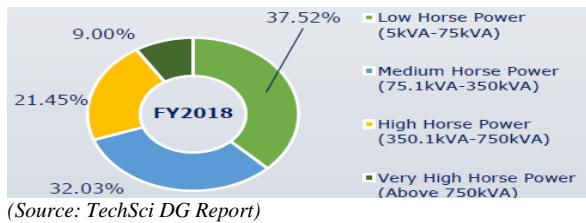
The following chart predicts India’s diesel generators market size, by value (in USD billion):



(*Source: TechSci DG Report*)

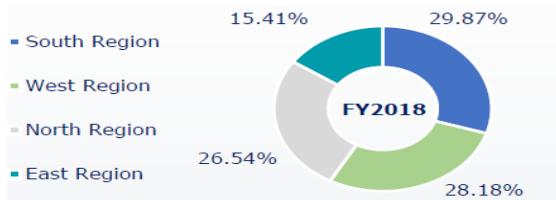
On account of the rising demand for standby power from the manufacturing, residential and commercial sectors, as well as IT industry and telecom towers, the medium and high horse power diesel generators segments are expected to witness an increase in their market shares during the financial years 2019 to 2025.

The following chart sets forth India’s diesel generators market share, by rating, by value, for the financial year 2018:



During the financial year 2018, the southern region of India led the diesel generators market with a revenue share of 29.87%, due to rapid industrialization and increasing energy demands, particularly in Bangalore, Hyderabad and Chennai. The southern region of India is expected to account for the maximum demand for diesel generators in the coming years.

The following chart sets forth India's diesel generators market share, by region, by value, for the financial year 2018:



In the financial year 2018, the manufacturing sector led India's diesel generators market with a revenue share of 26.26% and the share is expected to increase to 27.25% by the financial year 2025, on account of growing auto component exports. Moreover, increasing demand for uninterrupted power supply from various manufacturing facilities, such as automobile and auto components among others, is expected to support the manufacturing sector in maintaining its lead in the segment over the coming years.

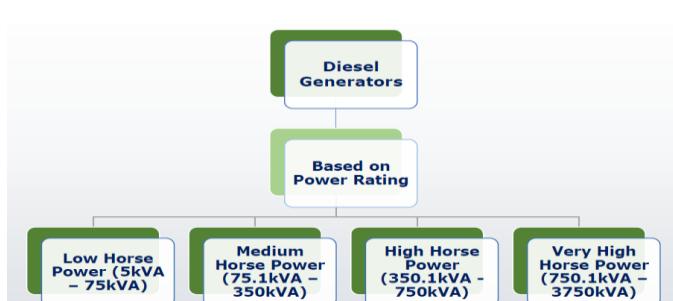
The following chart sets forth India's diesel generators market share, by end user, by value, for the financial year 2018:



### Product Overview

Diesel generators comprise of a diesel engine that is connected to an electric generator to produce electricity. A diesel generator performs the basic function of providing power back up and is a source for reliable and consistent energy supply even in remote areas.

The following chart sets forth the different types of diesel generator sets based on power ratings:



(Source: TechSci DG Report)

### Market Outlook

#### Demand supply analysis

India has recently witnessed a significant increase in its economic development, which led to an increase in individual spending and has also aided growth across diverse sectors including the manufacturing, commercial and telecommunication sectors. The manufacturing and commercial sectors were the largest end users of diesel generators in India. During the financial year 2018, there was a domestic demand for 127,250 units of diesel generators and 45,690 units of diesel generators were exported, valued at USD 246.98 million. Domestic demand and export of medium horse power diesel generators (75.1kVA to 350kVA) and high

horse power diesel generators (350.1kVA to 750kVA) accounted for USD 106.45 million.

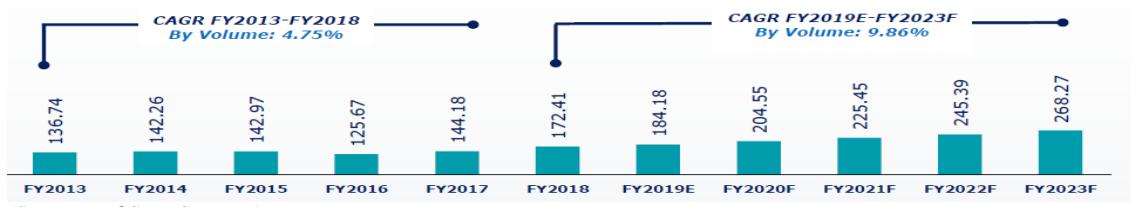
The following table sets forth the supply and demand analysis, by volume, for India's diesel generators:

Particulars	Financial Year					
	2013	2014	2015	2016	2017	2018
Production	136,740	142,260	142,970	125,670	144,180	172,410
Import	900	1,200	3,600	5,180	1,340	530
<b>Total Supply</b>	<b>137,640</b>	<b>143,460</b>	<b>146,570</b>	<b>130,850</b>	<b>145,520</b>	<b>172,940</b>
Domestic Demand	112,120	117,350	118,510	119,250	121,230	127,250
Export/ (Demand Supply Surplus)	25,520	26,110	28,060	11,600	24,290	45,690
<b>Total Demand</b>	<b>112,120</b>	<b>117,350</b>	<b>118,510</b>	<b>119,250</b>	<b>121,230</b>	<b>127,250</b>

(Source: TechSci DG Report)

High transmission and distribution losses (22% in 2016) and an insufficient power grid infrastructure are among a few of the major challenges faced by India's power sector. India is on a fast development trajectory, and hence to keep up the momentum of growth the availability of uninterrupted power supply is essential. Over the past decade, India's diesel generators market has witnessed a considerable transformation such as the replacement of mechanical engines with electronically controlled technology for better fuel efficiency, a reduction in toxic gas emissions, the easing of maintenance and faster troubleshooting during breakdowns. During the financial year 2018, the production of diesel generators in India registered an increase due to a growth in exports of diesel generators to Nepal, UAE, Kenya and Nigeria.

The following chart sets forth the production of India's diesel generators, by volume (*in thousand units*):



(Source: TechSci DG Report)

India's overall energy consumption is expected to increase by 4.2% annually from 724 MToe in 2016 to 1,921 MToe by 2040. Growing infrastructure, rising urbanization, inadequate transmission and distribution infrastructure and lack of quality power supply in India are among the major factors contributing to the increase in the diesel generators market in India. Increasing demand from the government, industrial and automation plants and the banking, financial services, insurance, IT and IT enabled services ("ITES") sectors are the key drivers for India's diesel generators market. The demand for high-end diesel generators is growing due to an increase in installations of high-end electronic equipment and machineries across discrete industrial setups.

The following chart sets forth the market size of India's diesel generators, by value (*in USD billion*), by volume (*in thousand units*):



(Source: TechSci DG Report)

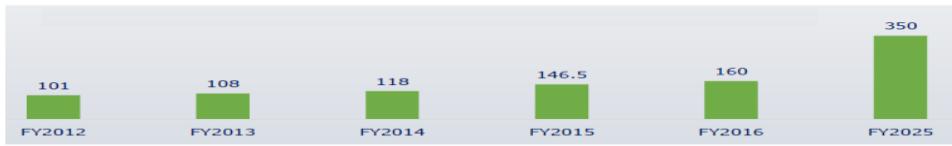
India's diesel generators market is highly consolidated, where the top six players – Cummins India Limited, Kirloskar Oil Engines Limited, Caterpillar India Private Limited, Mahindra Powerol Limited, Greaves Cotton Limited and Ashok Leyland Limited– accounted for a majority of the market share during the financial years 2011 to 2018. The same trend is anticipated to continue over the next seven years as well. However, intense competition in the low horse power segment is expected during the financial years 2019 to 2025, due to the increasing number of unorganised players in India. The diesel generators market in India is expected to grow over the next few years, primarily due to the establishment of industrial parks, petroleum, chemicals and petrochemical investment regions, increasing the emphasis by the government on infrastructure projects such as metro rails, smart cities and the expansion of state and national highways. In addition, growing residential societies and upcoming business complexes are further expected to increase demand for diesel generators in India during the financial years 2019 to 2025.

#### *The impact of Industries on the Indian Diesel Generators Market*

The IT industry requires a continuous supply of power in order to smoothly run its operations. In India, the electricity distribution pattern is uneven due to long distances between power sources and end users. Moreover, power gridlines are not inter-linked and often result in inadequate power supply. The Indian IT industry has a projected CAGR of 9.08% during the financial years 2016 to 2025 and is projected to amount to USD 350 billion by the end of 2025. This is expected to significantly drive the demand for

diesel generators in India over the next few years.

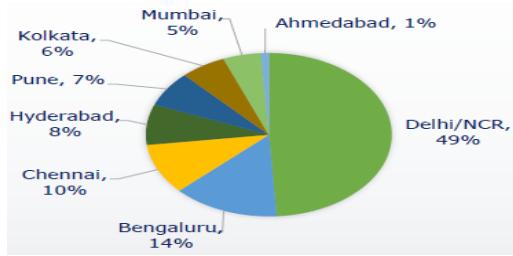
The following chart sets forth the size of India's IT industry, by value, (*in USD billion*):



(Source: TechSci DG Report)

India's private equity investments in the retail sector were worth USD 700 million and USD 840 million for the financial years 2016 and 2017, respectively. The expanding retail market would increase the private equity investments in retail projects such as malls and shopping complexes across the major Indian cities, which is expected to increase demand for diesel generators.

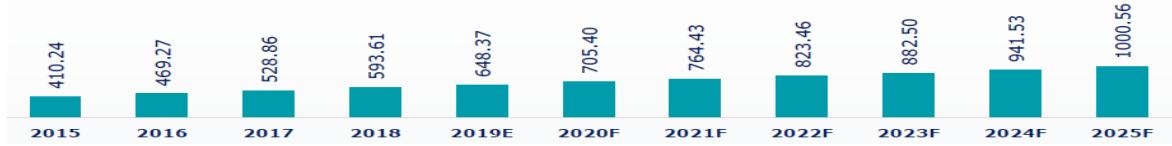
The following chart sets forth the share of the upcoming mall supply, during the financial years 2015 to 2018:



(Source: TechSci DG Report)

By the financial year 2025, India's construction sector is expected to reach USD 1,000 billion and become the world's third largest construction market. An anticipated increase in construction activities across India is expected to increase the demand for diesel generators.

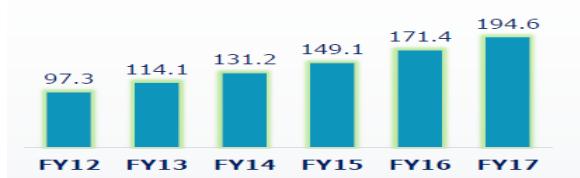
The following chart sets forth India's construction market size, by value, (*in USD billion*):



(Source: TechSci DG Report)

Further, 'Make in India' is a flagship program of the Indian government and it aims to make India a global manufacturing hub. The main objective of the initiative is to increase the contribution made by the manufacturing sector to India's GDP to 25% by 2025. The Government of India provided an investment allowance of 15% for manufacturing companies in 2015 to aid the program. Benefits like this are expected to continue in the coming years and result in new manufacturing plants.

The following chart sets forth India's infrastructure industry investments, (*in USD billion*):



(Source: TechSci DG Report)

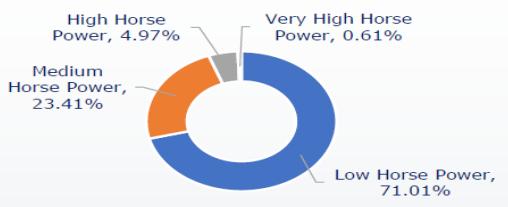
The following table sets forth India's upcoming and ongoing metro projects, by track length, by completion year, as of 2018:

Metro Project	Track Length (km)	Estimated Completion
Delhi (Phase IV)	104	2022
Pune	103	2021
Mumbai (Phase II-VII)	162.5	2020
Kanpur (Phase I)	66	2020
Bangalore (Phase 1 and II)	112	2019
Ahmedabad	39.2	2020

(Source: TechSci DG Report)

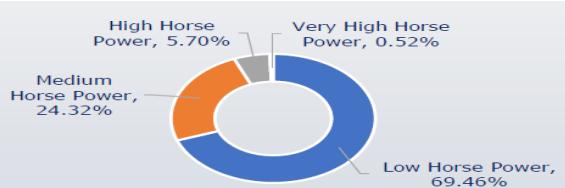
During the financial year 2018, approximately 127,250 units of diesel generators were sold in India. Low horse power generator sales led the total sales of diesel generators in India. By the financial year 2025, approximately 234,920 units of diesel generators are projected to be sold in India.

The following chart sets forth the percentage of diesel generator units sold, by segment, for the financial year 2018:



(Source: TechSci DG Report)

The following chart projects the percentage of diesel generator units that will be sold, by segment, for the financial year 2025:

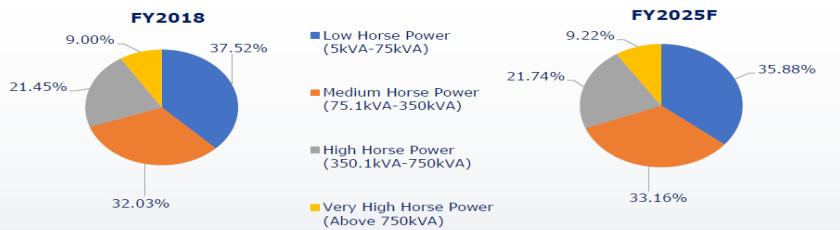


(Source: TechSci DG Report)

## Market share

### Market share by rating

The following chart sets forth India's diesel generators market share, by rating, by value:

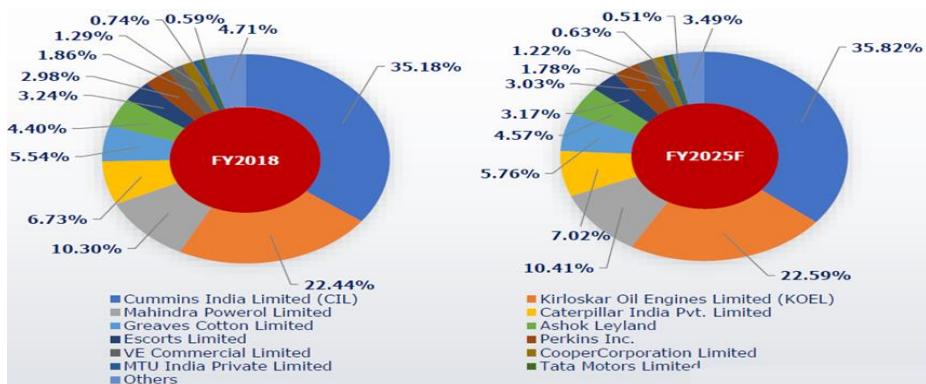


(Source: TechSci DG Report)

### Market Share by Company

Cummins India Limited is the global leader in India diesel generators market. Cummins India Limited offers diesel generators in the range of 7.5 kVA to 3,750 kVA. Cummins India Limited also supplies 40 kVA bio-gas generators and 15 kVA generators that operate using vegetable oil and Pongamia seed (straight vegetable oil). In terms of market share by company, Cummins India Limited led the market with a market share of 35.18%, followed by Kirloskar Oil Engines Limited with a market share of 22.44%, in the financial year 2018. In the financial year 2025, Cummins India Limited is expected to continue leading the market with a market share of 35.82% and Kirloskar Oil Engines Limited is expected to follow suit with a market share of 22.59%. Strong brand appeal, spare part availability, low maintenance costs and the ability to have a wider distribution network through its channel partners, are all contributing factors to Cummins India Limited's leading position. Cummins India Limited's products are marketed and distributed by three channel partners – Jakson Limited, Powerica Limited and Sudhir Gensets Limited. In 2016, Cummins India Limited introduced a new 250 kVA generator set based on L9 (8.9 liter) engine platform, ideal for manufacturing, realty, infrastructure, service and process industries, as well as hospitality and rental applications.

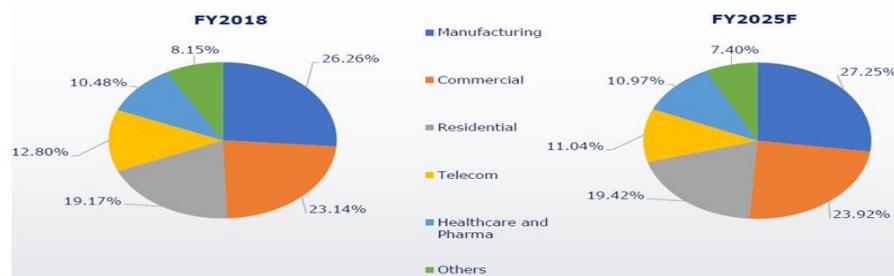
The following chart sets forth India's diesel generators market share, by company, by value:



Note: Others include-Mitsubishi Heavy Industries Engine System Asia Pte. Ltd., Lombardini India Pvt. Ltd., Tafe Tractors and Motors Limited Scania Commercial Vehicles India Ltd., PM Diesel Pvt. Ltd., MHU-VHT Diesel Engines Pvt. Ltd., etc. (Source: TechSci DG Report)

### Market Share by end user

The following chart sets forth India's diesel generators market share, by end user, by value:

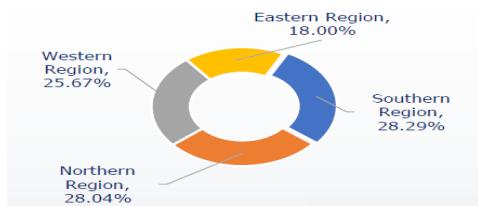


Note: Others include-Defense, Agriculture, Marine, Fire Pumps, etc (Source: TechSci DG Report)

#### Market share by region

During the financial year 2018, the southern region of India led the market with a sale of 35,990 units. The volume share of the northern region of India is expected to decline due to improving grid connectivity in semi-urban and rural areas.

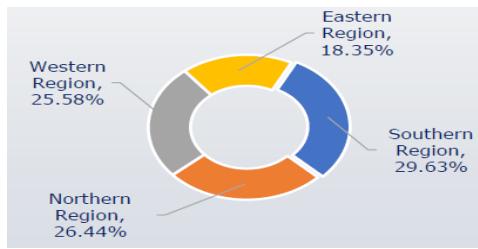
The following chart sets forth an estimation of India's diesel generator units sold, by region, for the financial year 2018:



(Source: TechSci DG Report)

By the financial year 2025, the southern region of India is estimated to continue to lead the diesel generators market with a share of 29.63%, due to rising industrialization and increasing demand for backup power.

The following chart sets forth an estimation of India's diesel generator units sold, by region, for the financial year 2025:



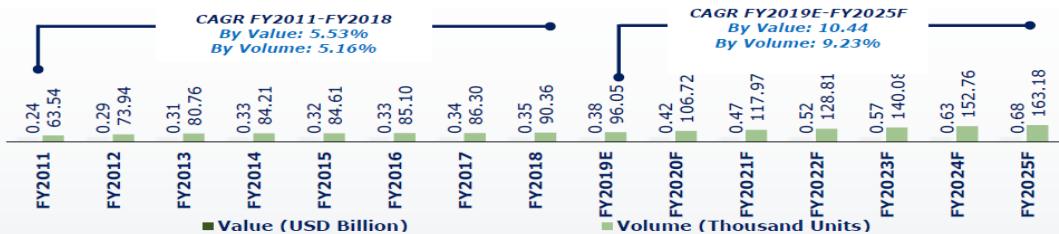
(Source: TechSci DG Report)

#### Market size and forecast

##### Low Horse Power (5kVA to 75kVA)

The Indian construction industry is expected to grow in the coming years due to the planned investment of USD 650 billion by the government for urban infrastructure development over the next 20 years. These long term investment plans are expected to result in increased demand for low horse power diesel generators due to their usage in commercial and residential construction activities. India's real estate sector is projected to grow at a CAGR of 11.2% during the financial years 2008 to 2020. Moreover, increasing investment in the residential sector due to various government sponsored projects, such as 100 smart cities and AMRUT, is expected to increase construction activities in the coming years, thereby positively impacting India's low horse power diesel generators market.

The following chart sets forth India's low horse power diesel generators market size, by value (*in USD billion*), by volume (*in thousand units*):

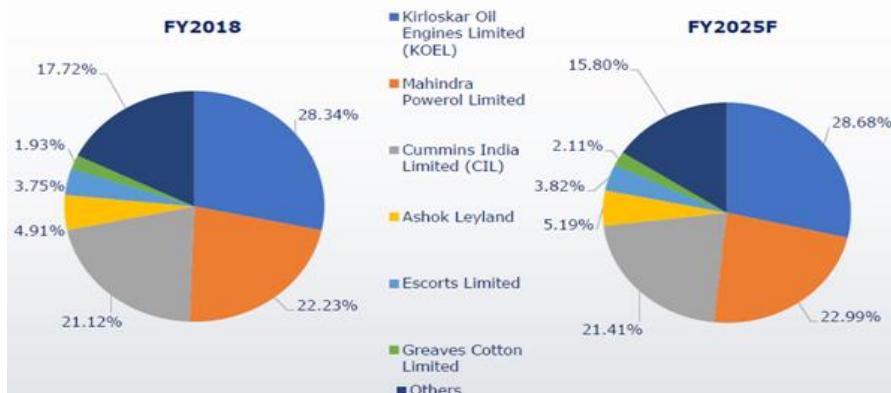


(Source: TechSci DG Report)

Cummins India Limited had a market share of 21.12% in India's low horse power diesel generators market in the financial year

2018 and the share is expected to increase to 21.41% by the financial year 2025. Cummins India Limited manufactures low horse power diesel generators ranging from 5kVA to 75kVA and it caters to various end users such as telecom, IT/ITeS, business process outsourcing, agriculture, shopping malls, hotels, hospitals, marines, banks and educational and financial institutions.

The following chart sets forth India's low horse power diesel generators market share, by company, by value:

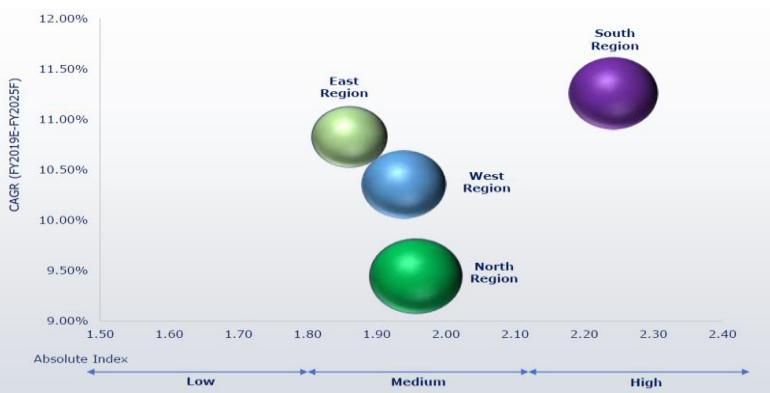


Note: Others include TAFE Tractors and Motors Limited, Cooper Corporation Pvt. Ltd., Tata Motors Limited, VE Commercial Vehicles Limited, Caterpillar India Pvt. Limited, MTU Onsite, etc. (Source: TechSci DG Report)

### Growth Drivers

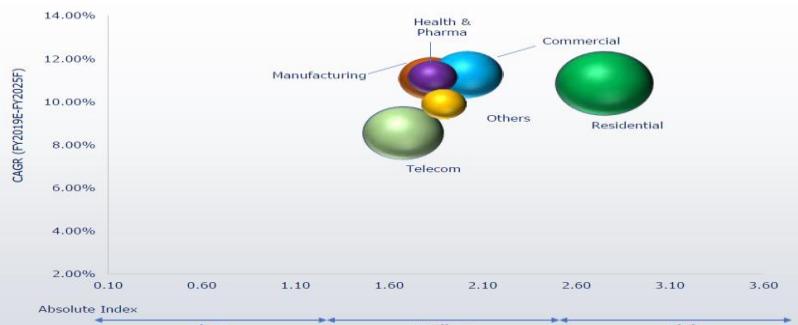
- The Indian Government's 'Make in India' and 'Digital India' initiatives are expected to accelerate India's manufacturing capacity and IT infrastructure, leading to an increase in demand for reliable power backup systems, which in turn is aiding the low horse power diesel generators market.
- India's electronics industry is expected to reach USD 400 billion by 2020, growing at a CAGR of 26% during the financial year 2014 to 2020. The expansion of the electronics sector is expected to increase power backup requirements from the electronics industry, thereby increasing demand for diesel generators in India.
- As per the National Housing Policy document, India is short of approximately 23 million houses. Therefore, the government needs to promote investment in the housing sector during the next 10 years. Demand for low horse power diesel generators is expected to increase in India in the coming years.
- AMRUT was launched on June 25, 2015, aimed at improving the quality of life by providing household to urban poor. The project focuses on water supply, sewerage management, storm water drains to reduce floods, urban transport, pedestrian friendly roads and the development of green spaces and recreation centers.

The following chart predicts the market attractive index for low horse power generators, by region, by value:



Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

The following chart predicts the market attractive index for low horse power generators, by end user, by value:



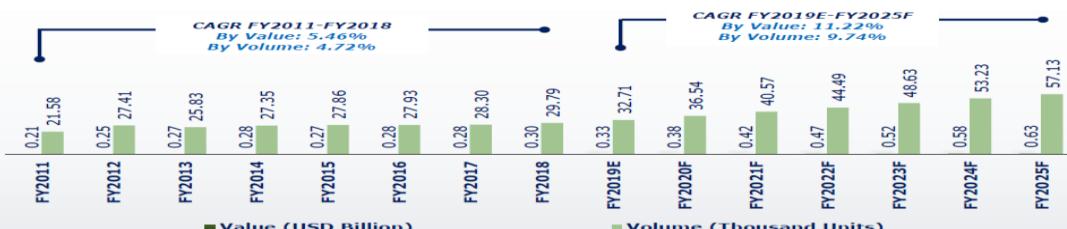
Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

### Medium Horse Power (75.1kVA to 350kVA)

The medium horse power diesel generators act as a standby power supply, when electricity supply is unavailable from the grid. The market for medium horse power diesel generators in India grew at a CAGR of 5.46%, in value terms, during the financial years 2011 to 2018, due to high demand from the commercial sector. India's medium horse power diesel generators market is projected to grow at a CAGR of 9.74%, in volume terms, during the financial years 2019 to 2025, due to growing demand from the commercial and manufacturing sectors. India's medium horse power diesel generators market is expected to increase to USD 0.63 billion by 2025, growing at a CAGR of 11.22%, in value terms, during the financial years 2019 to 2025.

In addition, India's healthcare and textile industries are growing at a fast rate. The number of medical foreign patients travelling to India were 134,000 and 170,000 in 2015 and 2016, respectively, due to the low cost of treatment and easy visa rules as compared to countries like the US and the UK. Medical equipment such as X-ray machines and ICU ventilators require a continuous and steady power supply, which is fueling the demand for diesel generators in India. India is also the second largest producer of textiles and garments in the world. Major international fashion brands are setting up units in India. India's textile industry has witnessed a significant growth and investments in the last five years. Moreover, growing small and medium sized businesses and increasing IT spending are aiding the growth of India's medium horse power diesel generators market.

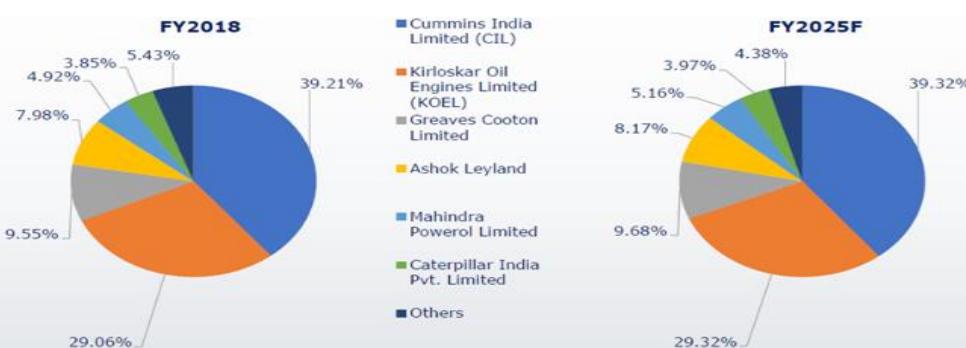
The following chart sets forth India's medium horse power diesel generators market size, by value (*in USD billion*), by volume (*in thousand units*):



(Source: TechSci DG Report)

Cummins India Limited led India's medium horse power diesel generators market with a market share 39.21% in the financial year 2018. Product reliability, low maintenance costs, spare part availability and a strong brand name are all factors that contribute to Cummins India Limited's high market share. The share for Cummins India Limited is projected to increase to 39.32% by the financial year 2025 on account of increasing demand from end users, the launching of new products (QSK50 and QSK95) for the domestic market and increasing production capabilities from its dedicated export facility at the mega site SEZ.

The following chart sets forth India's medium horse power diesel generators market share, by company, by value:



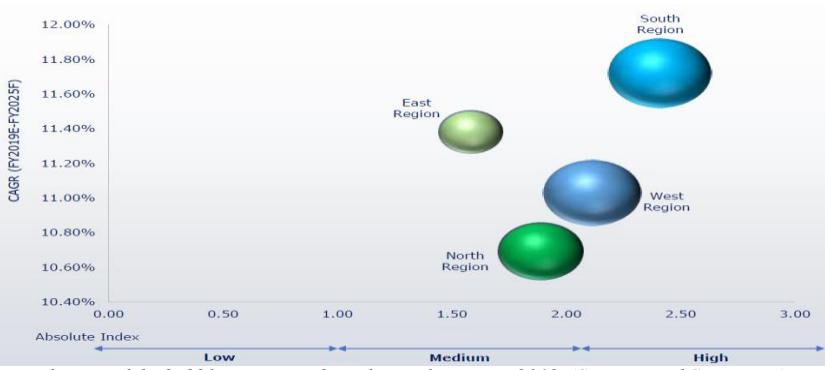
Note: Others include TAFE Tractors and Motors Limited, Cooper Corporation Pvt. Ltd., Escort Limited, Tata Motors Limited, VE Commercial Vehicles Limited, Duetz Engines (India) Pvt. Ltd., MTU Onsite, etc. (Source: TechSci DG Report)

### Growth Drivers:

- growth of IT, ITES, banking sectors and investments by multinational corporations have resulted in a huge demand for commercial space in major Indian cities;

- in 2016, the demand for commercial space reached approximately 28 million square feet. The growing demand for office space is expected to require commercial real estate developers to install medium horse power diesel generators for electricity backup in commercial properties; and
- despite the declining demand supply gap, the diesel generators market in India is expected to grow due to diesel generators being the preferred choice for power backup across commercial and residential setups.

The following chart predicts the market attractive index for medium horse power generators, by region, by value:

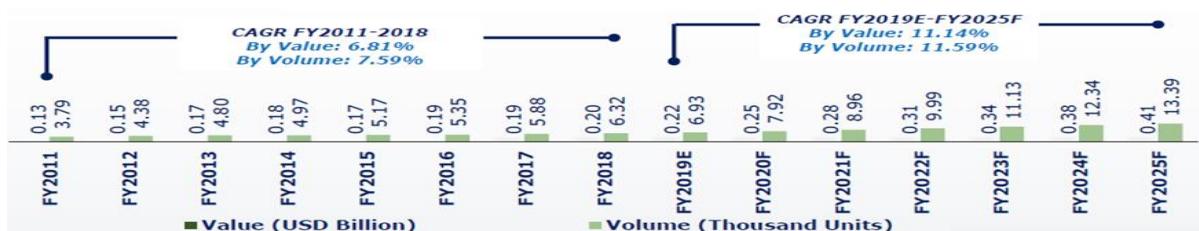


Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

#### High Horse Power (350.1kVA to 750kVA)

High horse power diesel generators are primarily used in industrial applications such as manufacturing plants, large scale data centers, hospitals, the chemical and petrochemical, steel, electronic and textile industries. They are majorly used for high-quality power flow and uninterrupted process control. With increasing industrialization, factories and plants in India are undergoing automation and thus are registering a huge demand for high horse power diesel generators. In India's diesel generators market, the high horse power diesel generators segment accounted for a share of 21.45% in terms of value in the financial year 2018. India's high horse power diesel generators market stood at USD 0.20 billion in the financial year 2018 and is projected to reach USD 0.41 billion by the financial year 2025, growing at a CAGR of 11.59%, in value terms.

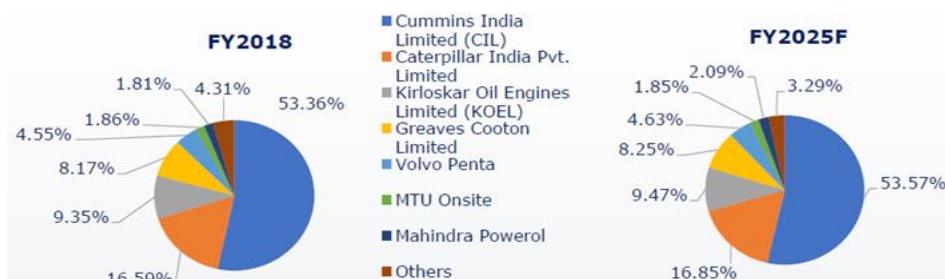
The following chart sets forth India's high horse power diesel generators market size, by value (*in USD billion*), by volume (*in thousand units*):



(Source: TechSci DG Report)

India's high horse power diesel generators market is led by Cummins India Limited with a market share of 53.36% in the financial year 2018. A strong brand name, reliable product, after sale services, strong original equipment manufacturing and distribution network that covers the entire region and high engine efficiency all contribute to Cummins India Limited's high market share. Cummins India Limited manufactures high horse power diesel generators ranging from 350 kVA to 750 kVA. Cummins India Limited offers two years of comprehensive warranty and an additional three years of warranty on critical components for high horse power generators.

The following chart sets forth India's high horse power diesel generators market share, by company, by value:

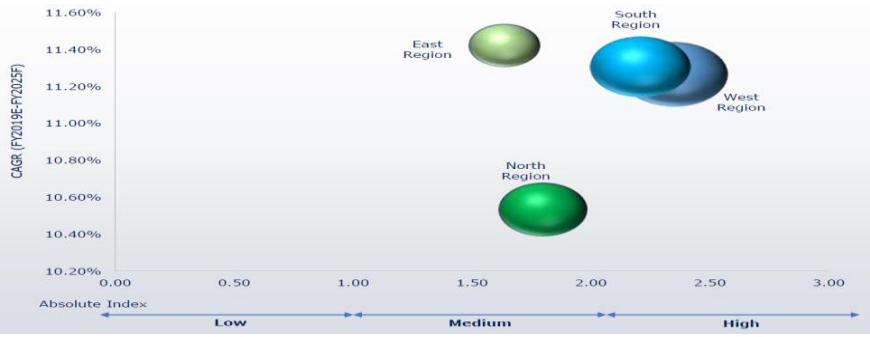


Note: Others include Escort Limited, Tata Motors Limited, VE Commercial Vehicles Limited., Duetz Engines (India) Pvt. Ltd., MTU Onsite, etc. (Source: TechSci DG Report)

Growth Drivers:

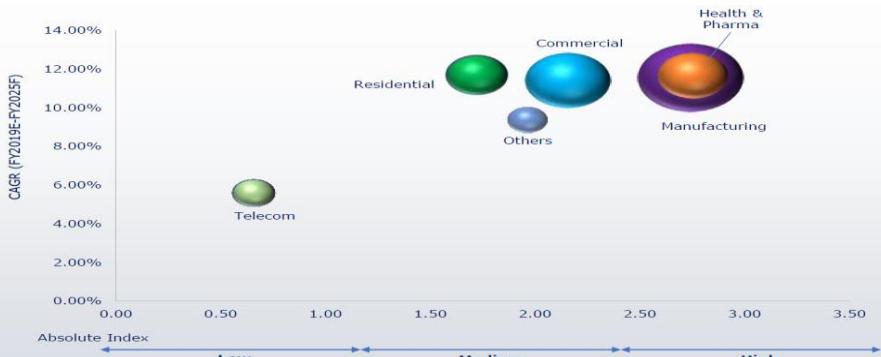
- the Indian Government is focusing on improving India's manufacturing sector with the introduction of its flagship program 'Make in India'. Expanding the industrial sector will directly lead to an increase in demand for electricity, thereby aiding the high horse power diesel generators market;
- industries where diesel generators are used for electricity generation are road, real estate, construction, textile, ceramics, pharmaceuticals and IT;
- the growing automobile sector could create a demand for high horse power diesel generators in India. The automobile sector contributed approximately 45% to India's GDP in the financial year 2016 and is expected to register the same trend in the coming years as well; and
- growing demand for standby power from the manufacturing and commercial sectors is expected to significantly increase demand.

The following chart predicts the market attractive index for high horse power generators, by region, by value:



Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

The following chart predicts the market attractive index for high horse power generators, by end user, by value:

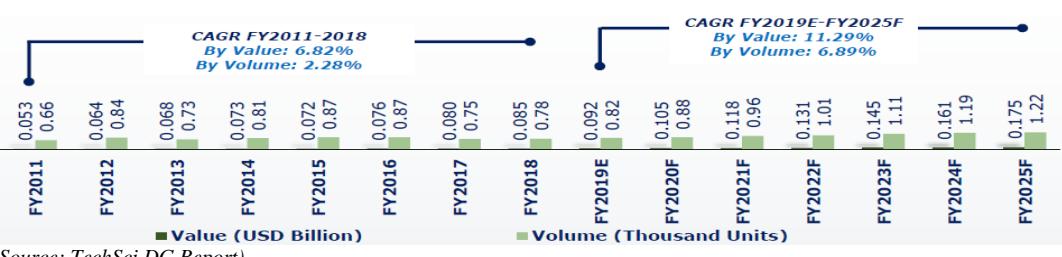


Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

### Very High Horse Power (Above 750 kVA)

Some of the major industries where very high horse power diesel generators are extensively used are mining, oil and gas and manufacturing. The mining industry requires a regular supply of electricity when mining is in process, while the oil and gas upstream industry needs electricity during drilling operations and well stimulation. Manufacturing, textile and cement industries usually require very high horse power diesel generators for electricity backup. The electricity generation capacity of very high horse power diesel generators is large and requires large investments to manufacture such generators. They are suitable for industries with huge power requirements. Constant and reliable power is supplied by the main grid to the end user industries. However, power failure forces companies to keep high horse power diesel generators as a viable alternative to obtain uninterrupted power.

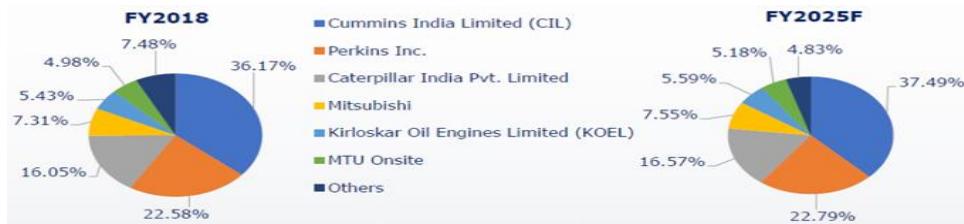
The following chart sets forth India's very high horse power diesel generators market size, by value (*in USD billion*), by volume (*in thousand units*):



(Source: TechSci DG Report)

India's very high horse power diesel generators market is led by Cummins India Limited with a market share of 36.17% in the financial year 2018. High engine efficiency, product reliability, a good distribution reach, after sale service and spare part availability are all factors that contribute to Cummins India Limited's high market share. Cummins India Limited offers various very high horse power diesel generators in the range of 750 KVA to 3,750 KVA. Cummins India Limited offers two years of comprehensive warranty and an additional three years of warranty on critical components for high horse power generators. Cummins India Limited is expected to continue leading the market with a market share of 37.49% in the financial year 2025.

The following chart sets forth India's very high horse power diesel generators market share, by company, by value:

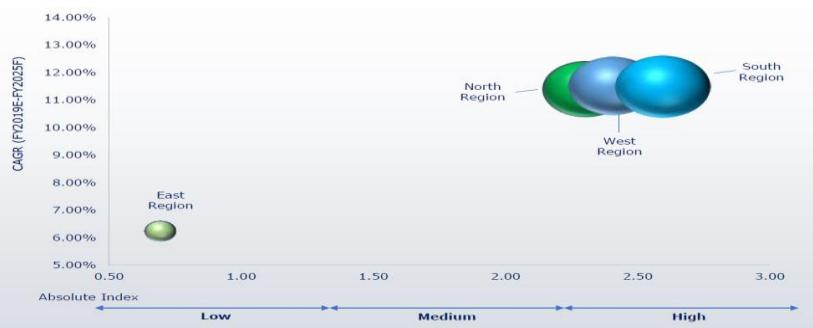


Note: Others include Kohler India, Volvo India, etc. (Source: TechSci DG Report)

#### Growth Drivers:

- India is moving towards becoming a more stabilized economy which is leading to a moderation in inflation rates and a reduction in interest rates, giving exposure to high working capitals and improved profitability for private companies. Furthermore, market consolidation and better financial conditions are expected to result in a more organized and stable market for international and national high horse power diesel generators companies in India, thereby aiding India's very high horse power diesel generators market.
- Some of the major industries where high horse power diesel generators are being extensively used are mining and oil and gas. The Indian Government's initiative to accelerate coal, natural gas and crude oil in-house production will be a major factor in increasing demand for high horse power diesel generators in India.

The following chart predicts the market attractive index for very high horse power generators, by region, by value:

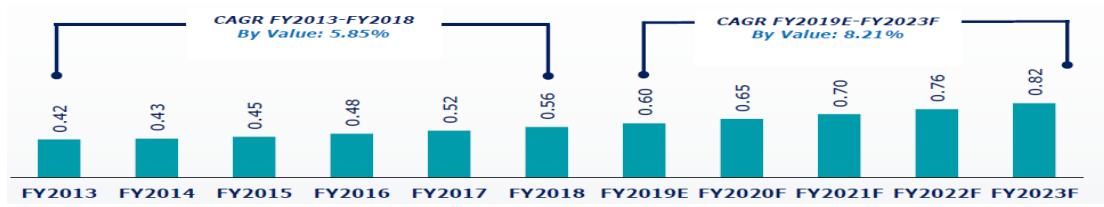


Note: The size of the bubble corresponds to the market size in 2018. (Source: TechSci Report)

#### Indian Rental Diesel Generators Market

As of the financial year 2018, India's rental diesel generators market accounted USD 0.56 billion, at a CAGR of 5.85% during the financial years 2013 to 2018. The market is estimated to grow at a CAGR of 8.21% during the financial years 2019 to 2023 and reach USD 0.82 billion by the end of the financial year 2023. The growing demand for power in remote areas coupled with growing infrastructure, oil and gas, power and water projects would induce growth in India's rental diesel generators market. In 2016, the Union Transport and Highway Ministry announced plans to develop roads in 12 states as national highways (1780 km), which includes the construction of two expressways. Road development projects would require an estimated investment of USD 6.4 billion and the project is slated for completion by 2018. The project would involve the operation of heavy machineries, pumps and other electrical equipment, which would require diesel generators to power their engines.

The following chart sets forth the market size of India's rental diesel generators market (*in USD billion*):



(Source: TechSci DG Report)

The following table sets forth the market share of India's rental diesel generators market by region, by value:

Region	Financial Year	
	2018	2023F
North	25.98%	25.57%
East	10.47%	10.18%
West	27.22%	27.54%
South	36.33%	36.71%

Note: The data for the financial year 2023 is forecasted. (Source: TechSci DG Report)

### Policy and Regulatory Landscape

Every diesel generator manufactured, imported or assembled in India should obtain type approval and conformity of production (“COP”).

#### Custom duty and GST on diesel generators

The following table sets forth India's custom and excise duties on diesel generators for the financial year 2018:

Category	Basic Custom Duty	Social Welfare Surcharge	GST
Not more than 75 kVA (HS CODE 85021100)	10%	10%	18%
75 kVA to 375 kVA (HS CODE 85021200)	7.5%	10%	
375 kVA to 1,000 kVA (HS CODE 85021310)			
1,000kVA to 1,500 kVA (HS CODE 85021320)			
1,500 kVA to 2,000 kVA (HS CODE 85021330)			
2,000 kVA to 5,000 kVA (HS CODE 85021340)			
5,000 kVA to 10,000 kVA (HS CODE 85021350)			
More than 10,000 kVA (HS CODE 85021360)			

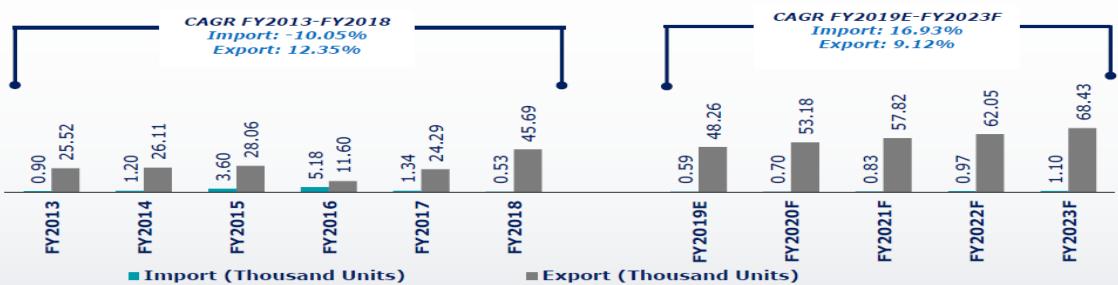
(Source: TechSci DG Report)

The organized diesel generators manufacturers have benefited from the GST through the simplification of the tax structure and the reduction of cascading taxes. This has marginally declined the cost of supplying diesel generators to various segments thereby bringing in the cost competitiveness in organized players as compared to unorganized players. In the financial year 2018, the unorganized sector sold approximately 0.31 million diesel generators mainly in the LHP rating segment. Introduction of GST and its compliance by the unorganized sector has resulted in an increase in the price of diesel generators.

### Import and Export Analysis

A sudden decline in exports during the financial years 2015 to 2017 can be attributed to the increase in price of diesel generators by 15 to 20% due to the implementation of CPCB-II norms. During the financial year 2018, the market recovered and the number of exports stood at approximately 46,260 units due to the increase in demand for low rating generators from Nepal, Kenya, Myanmar, Nigeria, UAE and Australia. An increase in demand from countries such as Nepal, Kenya, Myanmar, Nigeria, UAE and Australia are expected to increase exports of diesel generators in India during the financial years 2019 to 2023.

The following chart sets forth the import and export analysis of India's diesel generators market, by volume (*in thousand units*):



(Source: TechSci DG Report)

### Market Trends and Developments

#### Containerized Diesel Generator

The containerized diesel generator is an advanced form of the conventional diesel generator. These generators can withstand extreme weather conditions and are designed for strict acoustical standards. The size of containerized diesel generators varies from 25' to 40' high-cube container (type of container), these containers have many distinctive features enabling it to work in temperatures as high as 50 degrees celsius. The 25' to 40' high-cube container is as per the standards of International Convention for Safe Containers. Known for easy accessibility and maintenance, containerized diesel generators feature four doors and external fuel ports along with removable louvers.

In India, the containerized diesel generators market is currently led by Cummins India Limited and their original equipment manufacturer partners, Powerica Limited, Sudhir Gensets Limited and Jakson Limited. Cummins India Limited is the manufacturer of the engines deployed in the containerized diesel generator, while rest of the components are manufactured by

their original equipment manufacturer partners. Currently, the market share of containerized diesel generators in India's diesel generators market is low because of their high cost as compared to conventional diesel generators. However, the market share of containerized diesel generators is expected to increase in the coming years due to advancements in technology, which could eventually result in a reduction in prices of containerized diesel generators, thereby increasing their adoption.

#### *Shift towards biodiesel generators*

Diesel generators are used to supply electricity to end users. However, the combustion of conventional diesel causes pollution. In order to enhance the quality of life for consumers without harming the environment, manufacturers are investing heavily in research and development for developing technologically advanced products such as biodiesel generators. The biodiesel generator uses a non-petroleum diesel fuel extracted from various non-edible oil seeds and animal fat. Biodiesel fuel is produced by transesterification, in which various oils from oil seeds and animal fat are converted to methyl esters through a chemical reaction with methanol in the presence of a catalyst (sodium, potassium hydroxide and others). Some of the advantages of using biodiesel generators are that it is safe to handle and store, has a higher lubricity and better combustion, its carbon emissions are considerably lesser in biodiesel generators in comparison to conventional diesel and biodiesel as a fuel is biodegradable, non-toxic and environmentally friendly as compared to conventional diesel.

In India, major companies such as Cummins India Limited, Kirloskar Oil Engine Limited and Mahindra Powerol Limited offer biodiesel generators. Hybrid renewable energy systems ("HRES") are a combination of different renewable resources such as wind, solar, biomass, small/micro hydro, fossil fuels and others to generate electricity. This technology is capable of reducing fuel costs by 70 to 80%, as compared to conventional diesel generators, and emits half the amount of carbon dioxide as compared to high speed diesel generators. Growing environmental concerns and depleting natural resources are increasing consumer inclinations towards renewable and hybrid sources of power generation. Moreover, factors associated with HRES such as cost effectiveness, low investment and operations cost are also aiding growth of HRES in India. HRES technology uses captive solar power and other renewable sources. HRES is used in large commercial facilities, commercial refrigerators, powered lighting, warning signals, communication and water pumps. In India, HRES was first implemented by telecom companies at base transceiver station sites in off-grid locations or where power supply was unreliable for telecommunication networks. The use of hybrid renewable energy systems ensures increased savings in terms of fuel consumption, service intervals and running hours, with consequently longer generator life and lower operating costs.

#### *Growing advent of digital technologies*

The growth of research and development activities in India are driving the diesel generators market, as the acceptance for technologically advanced and efficient diesel generators is increasing. As a result, huge investments in the research and development sector are being made by companies with an aim to digitize diesel generators. Various technological advancements resulted in the introduction of digital power generators in India. Some of the major advancements for digitizing diesel generators are full authority engine communication which provides communication and control with an engine control module, monitoring generators, metering digital generators, a generators battery monitoring system to sense and warn against a weak battery condition and generators protection which protects the engine and alternator.

#### *Increasing focus on prompt operations and maintenance services*

Effective operations and maintenance services have significantly contributed towards the growth of the diesel generators market in India. In order to maintain the market share, diesel generator companies in India are offering warranty and guarantee to buyers of at least one year, which covers the entire operation and maintenance services pertaining to diesel generators. Diesel generator companies, dealers, channel partners and small players are also providing operations and maintenance services. As a result, consumers are showing an inclination towards the purchasing of diesel generators from local suppliers and this trend is expected to change the dynamics of India's diesel generators market.

#### *Implementation of new emission limit initiatives*

Diesel generators emit greenhouse gases that contribute to global warming. Growing environmental concerns have compelled the Ministry of Environment and Forest to upgrade emission limits for diesel generators. In addition, the Central Pollution Control Board II mandated reduction in engine exhaust emission levels of diesel generators up to 800 kW. CPCB-II emission norms aim to reduce pollutants released from diesel generators by 50%. In India, CPCB II emission norms, which have been effective since April 1, 2014, require companies to manufacture diesel generators as per the new norms. Due to the implementation of the new CPCB II norms in India, the average selling price of diesel generators increased by 15 to 20%. However, imports and exports of new diesel generators that comply with new CPCB II norms have become easy, as these new products comply with the US and European emission level criteria.

(Source: TechSci DG Report)

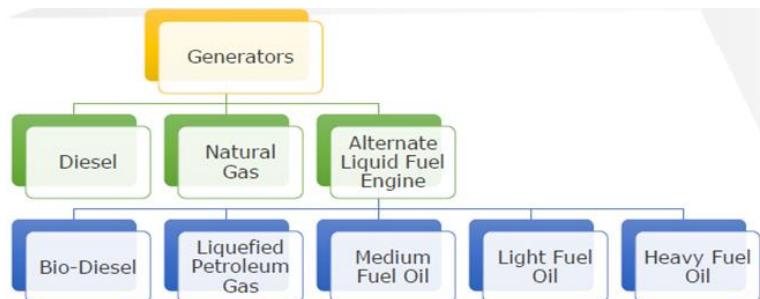
### **The Global Medium Speed Large Generators Market**

#### **Product Overview**

The size of the generator is inversely related to the speed of the engine, measured in revolutions/minute (rpm).

Large generator sets are equipped with engines of lower and medium rpm and small generators are equipped with engines of high rpm. The speed of the engine used in generators ranges between 100 rpm and 3,600 rpm. The medium speed generators offer a stable power supply and their speed varies between 500 rpm and 1,300 rpm. Medium speed generators are used in power plants to provide power during emergency power failures and are also used in case of combined heat and power (“CHP”) systems.

The following chart sets forth generator classification, by fuel type:



(Source: TechSci Global MSLG Report)

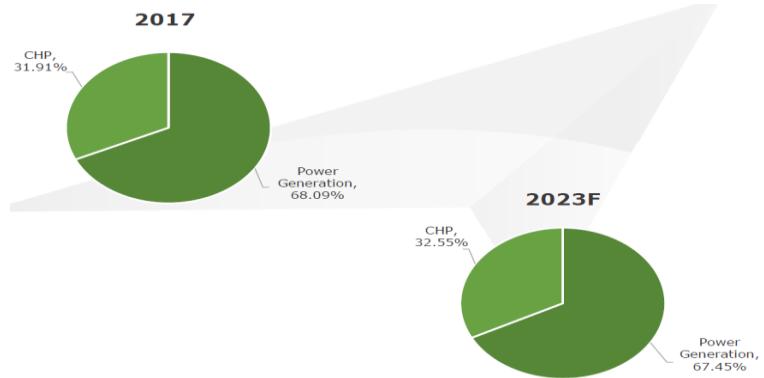
The following table sets forth a basic comparison between medium and high speed generators:

Type	Engine	Prime Rating
Medium Speed	900 rpm	3,640 kW
High Speed	1,800 rpm	3,000 kW

(Source: TechSci Global MSLG Report)

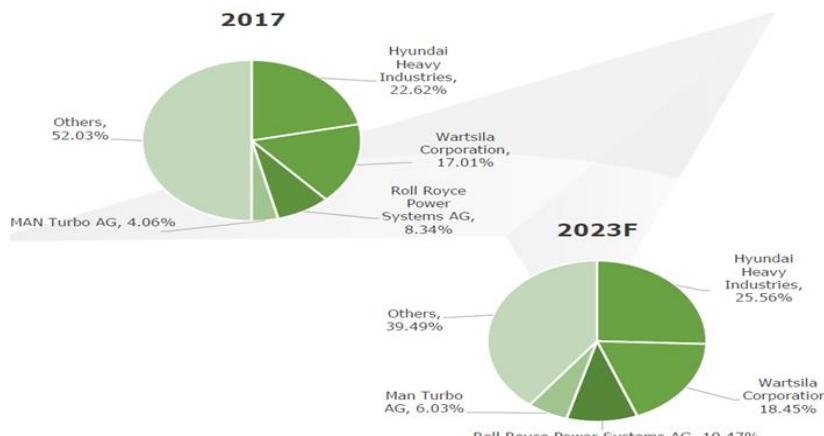
### Asia Pacific's Medium Speed Large Generators

The following chart sets forth Asia Pacific's medium speed large generators market share, by application, by value:



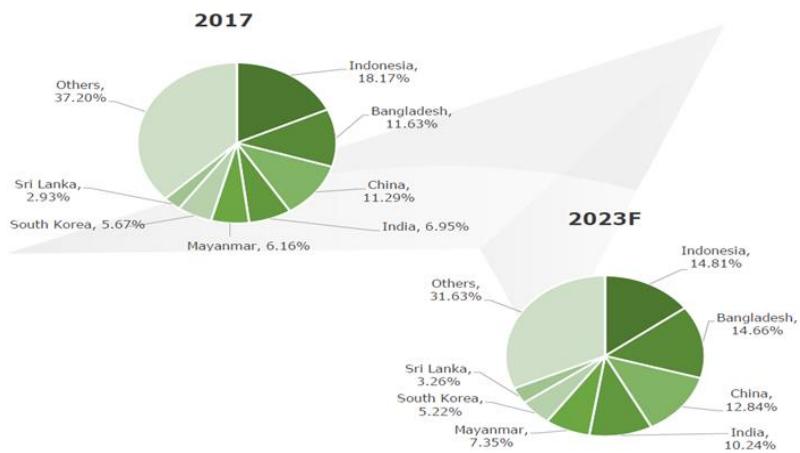
(Source: TechSci Global MSLG Report)

The following chart sets forth Asia Pacific's medium speed large generators market share, by company, by value:



Note: Others include Tellhow Sci Tech, Vpower, Cummins, Yanmar, Caterpillar, General Electric, etc. (Source: TechSci Global MSLG Report)

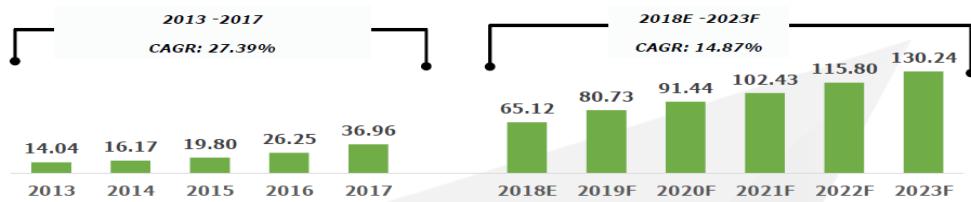
The following chart sets forth Asia Pacific's medium speed large generators market share, by country, by value:



Note: Others include Pakistan, Thailand, Australia, Japan, etc. (Source: TechSci Global MSLG Report)

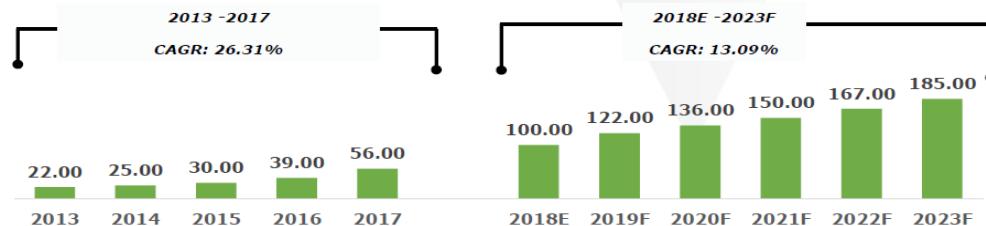
### India's Medium Speed Large Generators Market

The following chart sets forth India's medium speed large generators market size, by value (USD million):



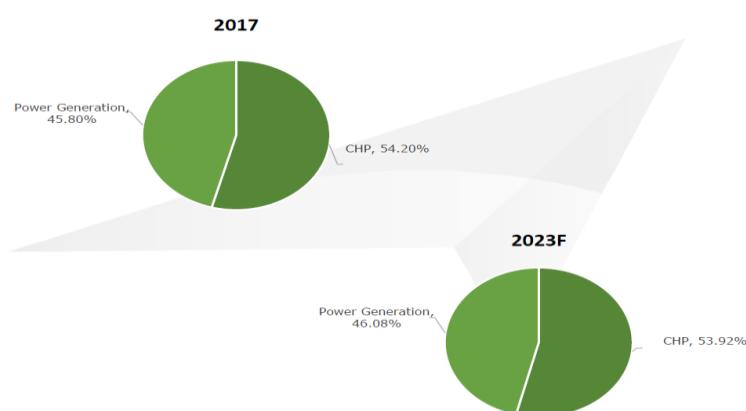
(Source: TechSci Global MSLG Report)

The following chart sets forth India's medium speed large generators market size, by volume (MW):



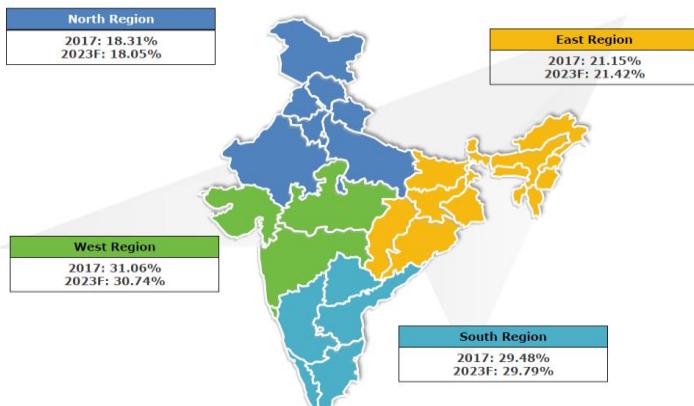
(Source: TechSci Global MSLG Report)

The following chart sets forth India's medium speed large generators market share, by application, by value:



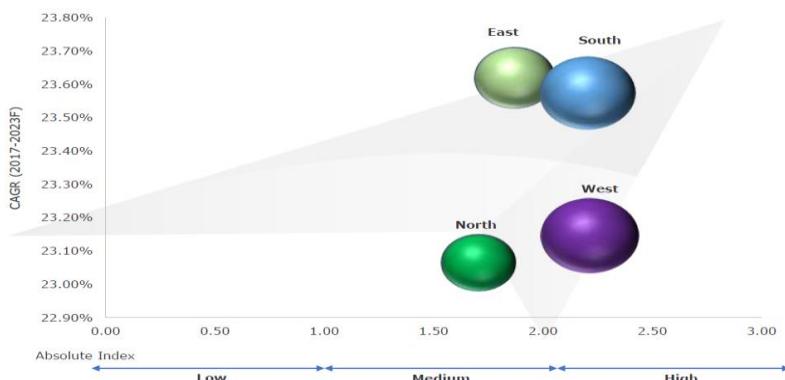
(Source: TechSci Global MSLG Report)

The following chart sets forth India's medium speed large generators market share, by region, by value:



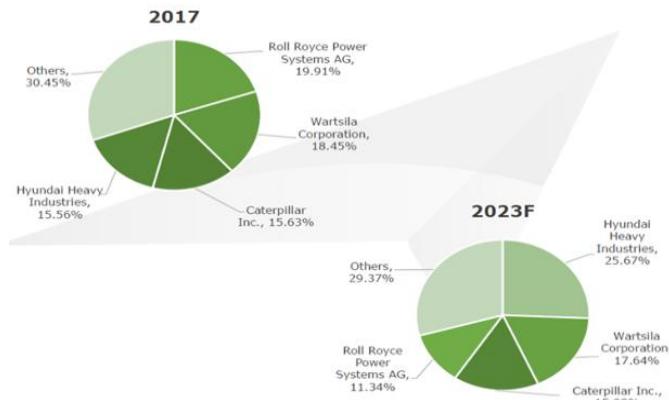
(Source: TechSci Global MSLG Report)

The following chart sets forth India's medium speed large generators market attractiveness index, by region, by value:



Note: The size of the bubble corresponds to the market size in 2017. (Source: TechSci Global MSLG Report)

The following chart sets forth India's medium speed large generators market share, by company, by value:



Note: Others include Vpower, Group Tellhow Sci Tech, FG Wilson etc. (Source: TechSci Global MSLG Report)

#### Price Point Analysis

India has witnessed a growth of 0.02 USD million/ MW in its price point for medium speed large generators from 2013 to 2017. The price point is expected to increase to 0.70 USD million/ MW by 2023.

The following chart sets forth India's medium speed large generators price point analysis, (USD million/MW):



(Source: TechSci Global MSLG Report)

#### Drivers and Challenges

Market drivers of India's medium speed large generators are the focus on investments in highway construction and Smart Cities, technology transfer and associations with international players and growing GDP. Market challenges for India's medium speed large generators are the promotion of renewable energy and fluctuation in crude oil and commodity prices.

## **Market Trends and Developments**

The following list sets forth market trends and developments in the medium speed large generators market;

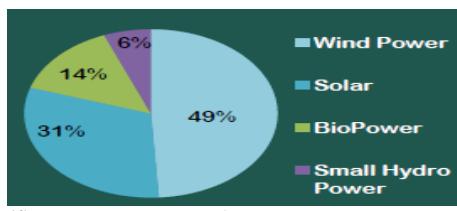
- growing demand for modular power plants with quick commissioning in power deficit regions across the world;
- use of internet of things through a supervisory control and data acquisition system for the complete control of a medium speed large generator installed in a remote location;
- increasing number of nuclear independent power plants in Southeast Asia and Africa;
- easy financing by governments for selling medium speed large generator-integrated power plants;
- medium speed large generators are capable to operate on different types of fuel (such as diesel, crude oil and heavy fuel oil);
- medium speed large generators can be used for grid stability under peaking and reverse power applications with an exceptionally low standby consumption, for example less than 1 kW per MW of installed power;
- bringing down the leveled cost of electricity by using the cutting-edge technology in medium speed large generators; and
- use of two-stage turbocharging system to improve fuel oil consumption.

## **Overview of the Renewable Energy Market in India**

### ***Renewable installed capacity of India***

As of March 2018, India held 69.7 GW of renewable power capacity. Installations from clean sources achieved a 20% share of the total installed power capacity in India. Wind power contributed approximately 34.05 GW (nearly 49%) of the total renewable capacity installed. (*Source: Enincon Report*)

The following chart sets forth the share of wind in the renewable energy installed capacity mix, as on 2018:



(*Source: Enincon Report*)

### ***Government's target for renewable power***

In order to protect the climate, tap renewable energy resources and achieve the renewable energy target of 175 GW by 2022, the Government of India has carried forward its commitment to green energy by initiating renewable energy production plans. Various policy measures have been initiated and taken in addition to providing financial support to various schemes being implemented by the MNRE. These include, suitable amendments to the Electricity Act and Tariff Policy for the strong enforcement of renewable purchase obligations (“RPO”) and for providing renewable generation obligation; setting up of exclusive solar parks; development of power transmission network through the green energy corridor project.

The National Institute for Wind Energy's latest estimate for India's wind power potential is 302 GW at 100 meters. To make use of the 7,600 km coastline for offshore wind energy in the Indian exclusive economic zone, the National Offshore Wind Energy policy has been released. India's Integrated Energy Policy projects 800 GW of installed capacity by 2032. As per the Government of India's plans, renewable energy sources are expected to contribute an approximate 320 GW. Renewable energy capacity has been targeted to achieve 175 GW of the total installed capacities in India by 2022 of which 100 GW will be in solar power, 60 GW will be in wind power, 10 GW will be in small hydro and 5 GW will be in biomass energy.

The following chart maps the historical trends and future targets for India's push on renewable capacity additions with a focus on key sources (solar and wind), from 2012 to 2018:



(Source: Enincon Report)

### Key Growth drivers of Renewable Energy

Lowered quantum of power generation through coal based power plants: Coal leads India's power generation mix with an approximate 60% share in installed capacities. Coal has witnessed a subdued growth since the middle of the eleventh five year plan in India, due to its low domestic availability. While the total coal based installed capacity of India has increased from 84.44 GW in 2010 to 112 GW in 2012, the coal production growth rate of India's state owned miner has decreased from 6.8% to 1.73% in the same period, suggesting an inability in the ramping up coal supplies. In regards to which the national average of plant load factor of coal based power plants witnessed a decline from 77.5% in 2010 to 73.3% in 2012. Consequently, the gap between ideal coal based generation (at 85% plant load factors as per CERC norms) and actual coal based generation has doubled from 55 BU to 114 BU in the same period. Other reasons like a rise in imported coal prices and the inability of the discoms to honor long term power purchase agreements due to their poor financial health added to the challenges of the coal power developers in India.

Comparative costs of power generations: The developments in technology and the development of an appropriate regulatory and policy environment by the Government of India has encouraged fast paced additions of renewable power with low effective leveled costs of electricity ("LCOE"). The announcements to reintroduce AD in the renewable sector has been positive combined with eased duty structures and the availability of viability gap funding, these factors have created growth for the renewable energy sector in India. Further, the creation of a separate infrastructure development fund by the Government of India has enabled an escalated sentiment for adding renewable energy capacities, especially by solar power in India.

Improvement in power transmission infrastructure: During the last decade, India witnessed a cumulative growth in transmission infrastructure by 1.7 times whereas the power generation capacity grew by 2.3 times. As a result, a deficiency in transmission capacity was observed. Further, the grid infrastructure investments have traditionally been slow for the power generation sector and especially for renewable power which is inclusive of small hydro power as well. This limits the possibility of transferring electricity from surplus to deficient regions.

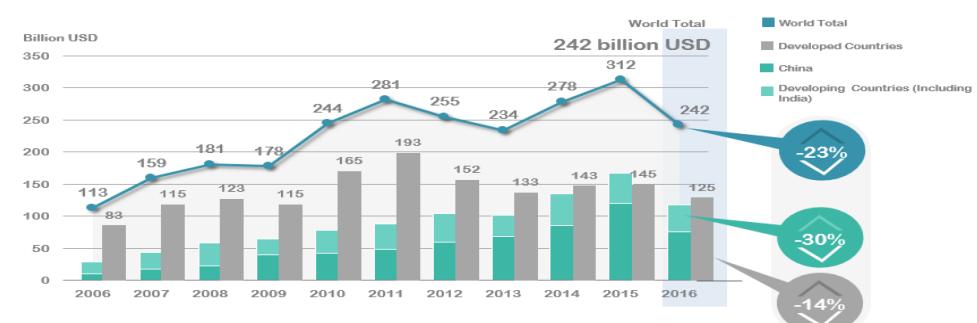
Sustainable capital expenditure: Commercial consumers in many major states pay the highest tariffs. Solar power is already competitive or cheaper than grid power, even without the capital subsidy in areas such as south Indian states like Karnataka, Tamil Nadu, Andhra Pradesh and Telangana among other high-industrial-tariff states like Maharashtra, Delhi, Odisha and West Bengal. (Source: Enincon Report)

### The Wind Power Market in India

#### Overview

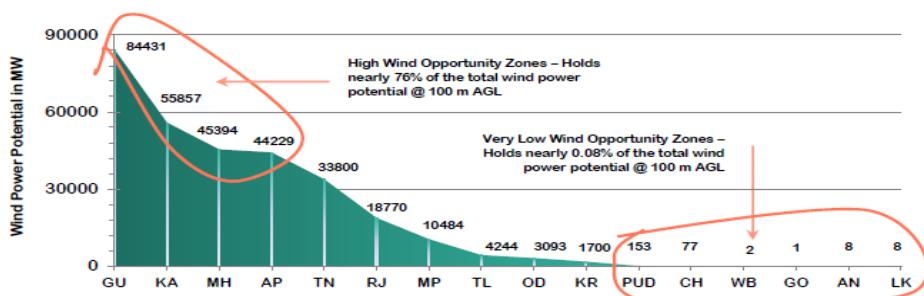
Total installations of wind power have increased from approximately 2 GW in 2002 to approximately 34 GW as of March 2018, thus indicating a CAGR of approximately 21%, making India the fourth largest wind power market across the globe. The wind power market in India is expected to meet its national target of 60 GW by 2022. The Government of India has aided the wind power market in its growth through policy and fiscal support.

The following chart sets forth the global investment scenario in wind power on a year on year basis:



(Source: Enincon Report)

The following chart sets forth the state wise onshore wind power potential in India at a height of 100 meters, as of 2018:



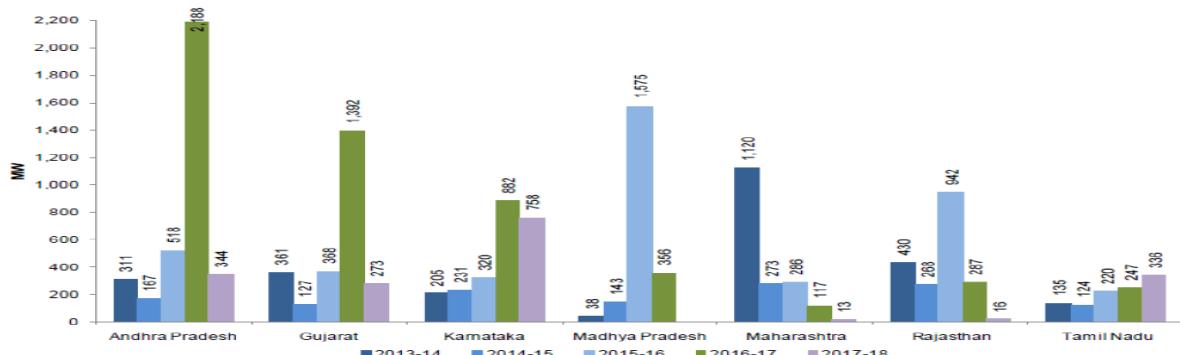
Note: GU: Gujarat, KA: Karnataka, MH: Maharashtra, TN: Tamil Nadu, RJ: Rajasthan, MP: Madhya Pradesh, AP: Andhra Pradesh, TL: Telangana, OD: Odisha, KR: Karnataka, PUD: Puducherry, CH: Chhattisgarh, WB: West Bengal, GO: Goa, AN: Andaman, LK: Lakshadweep. (Source: Enincon Report)

The following table sets forth the state wise installed cumulative wind power capacity over last five financial years (in MW):

State	Financial Year 2014	Financial Year 2015	Financial Year 2016	Financial Year 2017	Financial Year 2018
Andhra Pradesh	746	913	1,431	3,619	3,963
Gujarat	3,454	3,581	3,949	5,341	5,614
Karnataka	2,318	2,549	2,869	3,751	4,509
Kerala	35	35	44	52	52
Madhya Pradesh	424	567	2,142	2,498	2,498
Maharashtra	4,096	4,369	4,655	4,772	4,785
Rajasthan	2,785	3,053	3,995	4,282	4,298
Tamil Nadu	7,270	7,394	7,614	7,861	8,197
Telangana	-	-	77	101	101

(Source: Enincon Report)

The following chart sets forth year-wise wind capacity additions in windy states, from the financial year 2014 to the financial year 2018:



(Source: Enincon Report)

The following table sets forth the state wise onshore wind power potential in India at 100 meters:

State	Resource I : Waste Land	Resource II: Cultivable Land	Resource III: Forest Land	Total
Andaman and Nicobar	4	3	1	8
Andhra Pradesh	22,525	20,538	1,165	44,229
Chhattisgarh	3	57	16	77
Goa	0	0	1	1
Gujarat	52,288	32,038	106	84,431
Karnataka	15,202	39,803	852	55,857
Kerala	333	1,103	264	1,700
Lakshadweep	3	3	1	8
Madhya Pradesh	2,216	8,259	9	10,484
Maharashtra	31,155	13,747	492	45,394
Odisha	1,666	1,267	160	3,093
Puducherry	69	79	4	153
Rajasthan	15,415	3,343	12	18,770
Tamil Nadu	11,251	22,153	395	33,800
Telangana	887	3,348	9	4,244
West Bengal	0.03	2.04	0	2
<b>Total (in MW)</b>	<b>153,020</b>	<b>145,743</b>	<b>3,489</b>	<b>302,251</b>
<b>Total (in GW)</b>	<b>153</b>	<b>146</b>	<b>3</b>	<b>302</b>

(Source: Enincon Report)

## *Wind power resource and potential*

The wind power resource assessment in India has been conducted using the Karlsruhe atmospheric mesoscale model. The key drivers of the wind power market in India include low labour costs, availability of land suitable for the development of wind power projects, firm commitments and progressive initiatives by the Indian Government to meet aggressive capacity addition targets, improvement in technologies, falling tariffs, a competitive environment due to the bidding route and priority given to facilitating better power evacuations. (Source: Enincon Report)

## *Policy Dynamics*

### National offshore wind energy policy

The National Offshore Wind Energy Policy paves the way for offshore wind energy developments, including the setting up of offshore wind power projects and research and development activities, in waters, in or adjacent to India up to the seaward distance of 200 nautical miles (exclusive economic zone of India) from the baseline. Preliminary assessments along the 7,600 km long Indian coastline have indicated prospects of development of offshore wind power. With the introduction of the National Offshore Wind Energy Policy, the government is attempting to replicate the success of onshore wind power developments in the offshore wind power developments. The policy will provide a level playing field to all investors and beneficiaries, domestic and international.

### National wind–solar hybrid policy

The national wind–solar hybrid policy is formulated with an objective to provide a framework for the promotion of large grid connected wind–solar PV systems for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation, therefore achieving better grid stability. Further, the policy aims to encourage new technologies, methods and ways involving combined operation of wind and solar PV plants. Solar and wind being almost complementary to each other, a hybrid of the two technologies would help in minimizing the variability apart from optimally utilizing the infrastructure including land and transmission systems, therefore strengthening the energy security in India. The policy aims to install 10 GW of wind–solar hybrid capacity by 2022. Incentives: The Government will encourage development of the wind–solar hybrid systems through fiscal and financial incentives available to wind and solar power projects, which may also be made available to hybrid projects. Low cost financing for hybrid projects may be made available through IREDA and other financial institutions including multilateral banks.

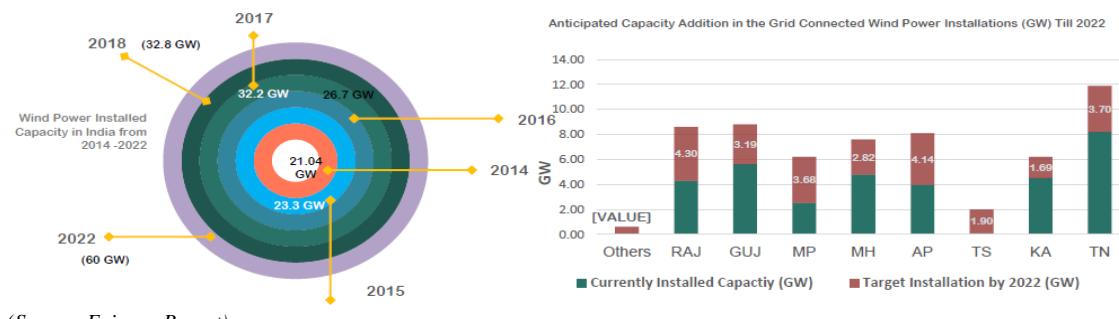
### Wind Bidding Scheme (Scheme for Setting up 1,000 MW ISTS – Connected Wind Power Projects)

To facilitate the non-windy states in fulfilling their non-solar RPO through procurement of wind power, a scheme for setting up 1,000 MW of wind power projects was sanctioned by the ministry to provide a framework for the interstate sale of wind power at a price determined through a transparent competitive bidding process. The first wind auction under the scheme was successfully concluded with a record low price of ₹ 3.46/kWh of wind power. The price discovered in the first wind auction was less than the average pooled power cost of many states. The project has encouraged competitiveness in the wind power market through transparent e-bidding followed by e-reverse auctions.

## *Installed capacity trends of wind power*

Wind power capacity has grown by an approximate 20 GW in India from the year 2010 to January 2018. Wind capacity additions declined in 2013, primarily due to the government pulling out generation based incentives (“GBI”) and AD incentives from the industry. Wind capacity additions increased from 2016 to 2017, primarily due to the introduction of new policies by the Indian Government. Further, the bidding route introduced during the financial year 2017 was an important factor in continuing the developments in the wind power market in India.

The following charts set forth the trends in wind power installed in India’s wind power from 2014 to 2017 and projections till 2022, as of 2018:



(Source: Enincon Report)

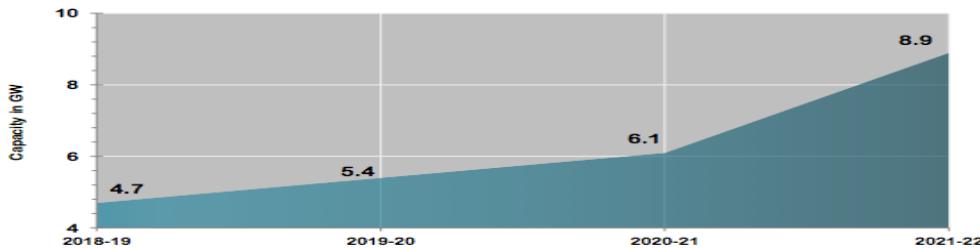
## *Government of India's target for The Wind Energy Sector*

India is also focusing on renewable sources to generate energy. India's energy achieved from non-fossil sources is expected to

increase from 30% in 2018 to 40% by 2030. India is also expected to increase its renewable energy capacity from 62 GW to 175 GW by 2022. The 175 GW of renewable power will comprise 100 GW of solar, 60 GW of wind, 10 GW of small hydro and 5 GW of biomass energy. The MNRE intends to auction an approximate 100 GW of solar and wind capacities by 2020. Against a target of 60 GW for wind power, 32 GW has already been commissioned. The central and state governments have issued bids with a cumulative capacity of 7.5 GW till April 2018. The financial years 2019 and 2020 will see the bidding of 10 GW each. The targets for capacity additions from the auction of wind and solar power in the near future is mentioned till May 2018.

Further, the Government of India has extended the waiver for inter-state power transmission charges and losses for wind power projects commissioned till March 31, 2022. The waiver will be available to these projects for 25 years from the date of commissioning provided the developers sign power purchase agreements with entities, including discoms, for sale of power for compliance of RPO. Further, the said waiver is only available to the projects which are awarded through the competitive bidding process as per the guidelines issued by the central government. These new conditions for the waiver of transmission charges and losses, irrespective of purchasing entity, will be applicable prospectively. (*Source: Enincon Report*)

The following chart sets forth the year wise split of targeted wind power installed capacity additions in India:



(*Source: Enincon Report*)

### ***The framework of the wind power market***

In India, governments have been conducting auctions for solar power and feed-in tariffs for wind power procurement. Under feed-in tariffs, governments offer long-term contracts and guaranteed payment for electricity at a fixed rate. Although feed-in tariffs are a popular mechanism, governments may not always have the best information to set the correct, competitive tariff, which can lead to cost inefficiency if too high or non-deployment if too low. Under auctions, a renewable energy buyer (governments or utilities) announces interest in buying a certain amount of electricity from renewable energy sources. Renewable energy sellers (project developers) who meet predefined technical and financial criteria then submit price bids to the renewable energy buyer, who typically select the winning sellers based on the lowest bids. (*Source: Enincon Report*)

The following chart summarizes the auction based wind power projects framework:



(*Source: Enincon Report*)

### ***Key guidelines of the wind power auctions***

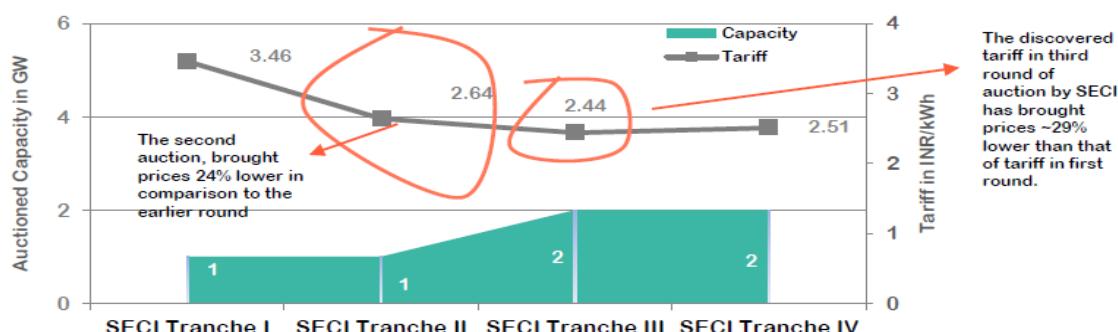
Key guidelines to the wind power auctions in India are structured upon the already conducted solar PV auctions and global experiences and are listed as below:

- a wind energy project secured through auctions should have a minimum size of 25 MW if it supplies power to one state and 50 MW if it supplies to more than one state;
- wind energy projects should have a minimum capacity utilization factor (“**CUF**”) of 22% and will be penalized if they fall below that mark;
- if the CUF is higher than specified in the bid document, the excess power will be paid for by the buyer at 75% of the tariff decided;
- wind developers must indicate the location of their projects in their applications and show evidence within seven months of the signing of the power purchase agreements (“**PPAs**”) that they have actually acquired full rights for 25 years to all the land they will need to set up their projects;
- no wind power plant, duly commissioned, should be directed to back down by a discom or load dispatch center;

- in case back down arises by discom's, except when the back down is on account of grid security or safety, the generator shall be eligible for generation compensation;
- the period of a PPA should be a minimum of 25 years. If there are any changes in the relevant laws over the 25 years of the contract that cause financial losses to the developers, they have to be compensated for it by the power procurer; and
- if the discom concerned is unable to evacuate the power agreed upon at any particular time for no fault of the wind energy generator, it must offset this loss by accepting the same amount of additional power over the next three years and pay for it.

Wind power auctions in India started in early 2017 and since then 7.5 GW of cumulative wind power has been sold. As of April 6, 2018, 7,500 MW of wind power capacity has been successfully auctioned by SECI. In February 2017 during the first auction, SECI Tranche 1, 1,000 MW of wind capacity was auctioned. The wind tariff was ₹ 3.46/kWh at the end of the auction. In October 2017, during SECI Tranche 2, 1,000 MW of wind capacity was auctioned. The wind tariff was ₹ 2.64/kWh at the end of the auction. In February 2018, during SECI Tranche 3, 2,000 MW of wind capacity was auctioned. The wind tariff was ₹ 2.44/kWh at the end of the auction, which is the lowest level India has witnessed. The downward trend of wind tariff was observed to be reversed when it went up to ₹ 2.51 in the reverse auction for Tranche – IV conducted in the month of April 2018.

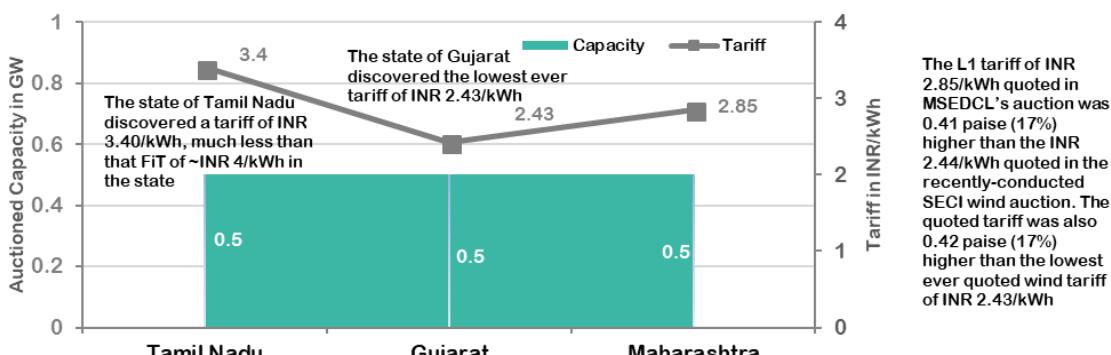
The following chart sets forth tranche wise details of wind power auctions conducted by SECI:



(Source: Enincon Report)

Following the lead of SECI, Gujarat, Tamil Nadu and Maharashtra conducted reverse auctions for the development of wind power projects in their respective states. Tamil Nadu had a tariff of ₹ 3.42/kWh in the Tamil Nadu Generation and Distribution Cooperation 500 MW auction, which concluded on August 2017. Gujarat discovered the lowest tariff ever for India of ₹ 2.43/kWh in the Gujarat Urja Vikas Nigam Limited (“GUVNL”) 500 MW auction, which concluded on December 2017. Maharashtra had tariffs of ₹ 2.85/kWh, ₹ 2.86/kWh and ₹ 2.87/kWh in the Maharashtra State Electricity Distribution Company Limited (“MSEDCL”) 500 MW auction, which concluded on March 2018. As of March 31, 2018, Gujarat, Tamil Nadu and Maharashtra have successfully auctioned 1,500 MW of wind power capacity. (Source: Enincon Report)

The following chart sets forth state wise details of wind power auctions conducted by the respective states:



(Source: Enincon Report)

#### **State wise wind power tariff trends**

The following table sets forth state wise wind power tariff trends (pre-auction scenario) from 2010 till December 2017:

States	2010	2011	2012	2013	2014	2015	2016	2017
Andhra Pradesh	3.5	3.5	4.7	4.7	4.7	4.7	4.25	4.35
Gujarat	3.56	3.56	4.15	4.15	4.15	4.15	4.19	4.19
Karnataka	3.7	3.7	3.7	4.2	4.2	4.5	4.5	3.74
Maharashtra	4.29	4.56	4.86	5.46	5.33	5.36	4.94	4.92

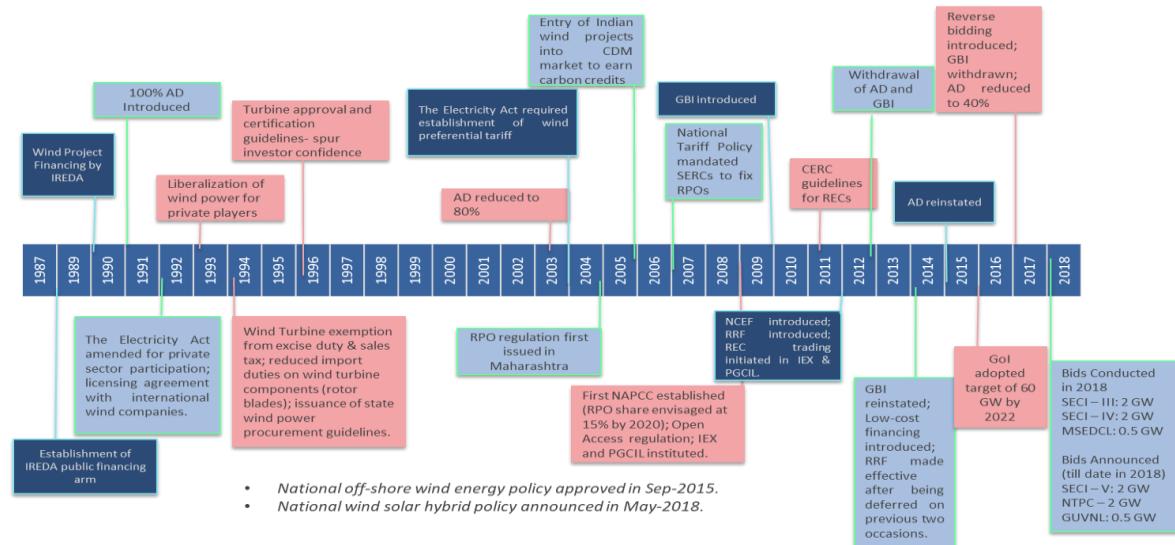
States	2010	2011	2012	2013	2014	2015	2016	2017
Tamil Nadu	3.39	3.39	3.53	3.53	3.53	3.53	3.53	3.7

(Source: Enincon Report)

## Market drivers of the wind power market

### Evolution and Incentive Landscape of Indian Wind Power Sector

The following chart sets forth the evolution and incentive landscape of the Indian wind power sector:



### Incentive Landscape

#### Central Level Incentives:

- The accelerated depreciation incentive: This key factor was first introduced in 1994 and contributed to the increase in installed wind capacity. In 2002, the depreciation rate was reduced to 80% from 100% and the scheme was subsequently withdrawn completely from April 1, 2012. In August 2014, the AD benefit for the sector was reinstated at the rate of 80% for plants installed on or after April 1, 2014, the Government of India capped the AD benefit at 40% in its budget for 2017 and after March 2017, the developers could avail the AD benefit at 40%. The incentive was to increase the wind energy capacity base and facilitate an all-around development of the wind energy sector in India.
- The generation based incentives scheme: The scheme was introduced in December 2009. The scheme lapsed in 2012, was re-introduced on September 4, 2013 and was discontinued on March 31, 2017. The objective of the scheme was to provide a level playing field to large independent power producers and also promote increased generation and efficiency in installations.
- Income tax holiday: Developers of wind power projects are exempt from paying corporate tax for 10 years under Section 80 IA of the Income Tax Act. However, the income tax holiday was discontinued as of March 31, 2017.
- Concessional custom duty: The government provides duty exemptions on certain wind-related equipment parts in the form of concessional rates of duties or taxes, such as customs duty, GST, central sales tax and general sales tax.

#### State Level Incentives:

- Renewable purchase obligation- State Electricity Regulatory Commissions specify the mandatory purchase obligation under Section 86, 1(e) of the Electricity Act, 2003, for purchase of a fixed percentage of energy generated from the renewable energy sources. The RPO varies from 0.5% to 10.25%, depending on the local renewable resources and the electricity distributed in those states. The RPO obligation can be fulfilled through direct purchase through bilateral contracts and tradable renewable energy certificates ("REC"s) mechanisms, which can further generate revenue for renewable energy projects.
- Feed-in tariff- Distribution companies procure renewable energy at a feed-in tariff rate specified by SERC. These are determined based on a number of factors, such as the site's achievable CUF, operating costs, capital expenditure and expected return on equity.
- Wheeling banking and third party sale: Favorable provisions for wheeling, banking and third-party sales are provided by wind power.
- Other incentives include electricity duty exemptions, electricity banking facilities, energy cess exemptions, reduced tax

on renewable energy components in some states, capital subsidy support and low-interest-rate loans, the export and import policy: export of renewable energy product to all countries is entitled to an additional duty credit equivalent to 2 to 5% of freight on board value of exports, project facilitation and grid connectivity and power evacuation arrangements.

#### *High planned renewable energy capacity additions*

The share of renewable sources has increased from 12.3% in 2013 to 19.2% in 2018 due to significant capacity addition contributions from solar and wind power resources. Further, India plans to add 175 GW of renewable power by 2022 comprising 100 GW solar, 60 GW of wind, 10 GW of small hydro and 5 GW of biomass energy.

#### *Priority in power evacuation*

With the fillip that the renewables sector has witnessed over the last few years, the power transmission infrastructure is set to gain in terms of capacity additions, which is predicted to help business for all renewable power inclusive of wind.

#### *Market restraints*

##### *Land acquisition issues*

The absence of single-window clearance to acquire land for wind projects makes the current process time-consuming as the current process has painstaking clearance procedures.

##### *Grid Connectivity and Slow Pace in implementation of Green Energy Corridors*

There is a dire need to evaluate the short, medium and long terms impacts of the need to create a dedicated infrastructure at an impressive rate to meet the evacuation of wind and solar power and other renewable energy sources and integrating them to the grid.

##### *Low Price of Non-Solar Renewable Energy Certificates*

RECs have been in existence in India since 2011 to enable compliance of RPOs. India has made some progress towards creating a market mechanism for RECs, however those mechanisms are not working at their full potential in order to finance and increase renewable energy generation capacities. Approximately, 1,575,860 non-solar RECs remained unsold for February 2018. Further, the non-solar RECs were traded at the base price of ₹ 1,500/REC which equates approximately ₹ 1.5/kWh. The huge quantum of RECs leftover has deterred developers from selling their power through this route. A regulatory mechanism that rewards compliance and penalizes non-compliance may potentially yield better results.

##### *Grid Stability and Transmission and Distribution Losses*

Alongside the rapid (or at least steady) pace of new evacuation infra development, there's a need to have a stable grid condition so as to ensure the maximum run-time of assets and generation supply. Frequent episodes of load shedding during peak wind season hampers not only revenue generation but crucial supply spells that can be better planned for effective utilization.

Transmission and distribution losses also remain a concern for windfarm operators, as the existing transmission needs strengthening and other improvements. Wind technology has improved to address this, however it will be a goal half accomplished until transmission and distribution losses are brought under tolerable thresholds.

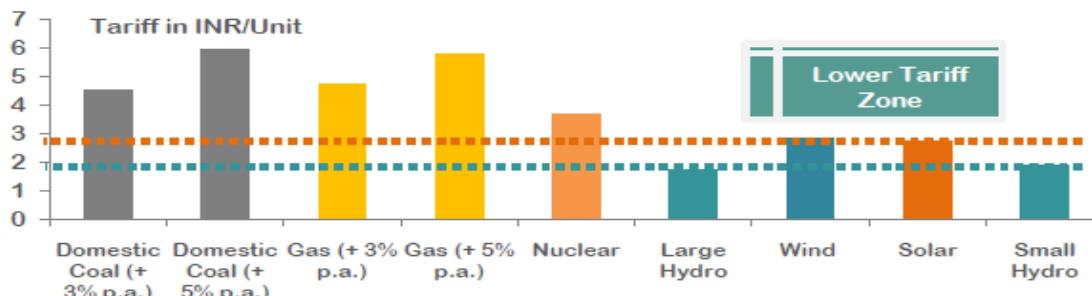
##### *Delay in Payment from Discoms*

Across the national power landscape, there is often a delay in payments against sale of power which continues to be a concern to windfarm operators. Power producers' worry that a delay of dues could affect revenue streams, and the same concern can be relayed across to the banks that have and continue to finance power projects in the sector.

(Source: Enincon Report)

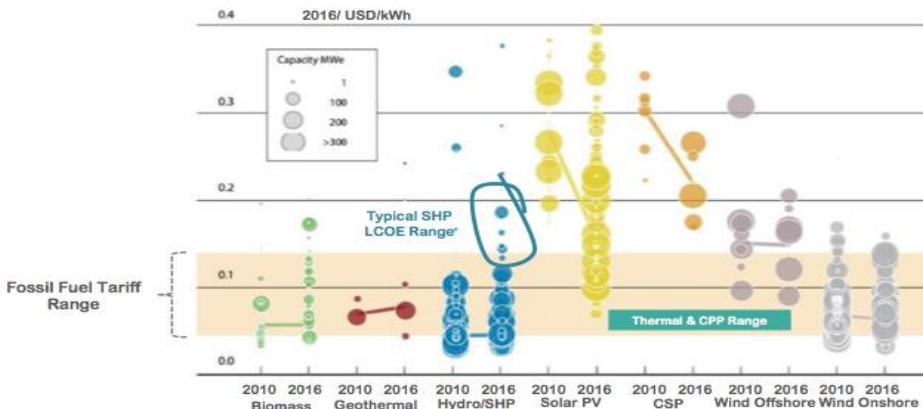
##### *Cost competitiveness of wind energy against conventional sources of energy*

The following chart sets forth the LCOE of energy sources in India with renewable energy attractiveness:



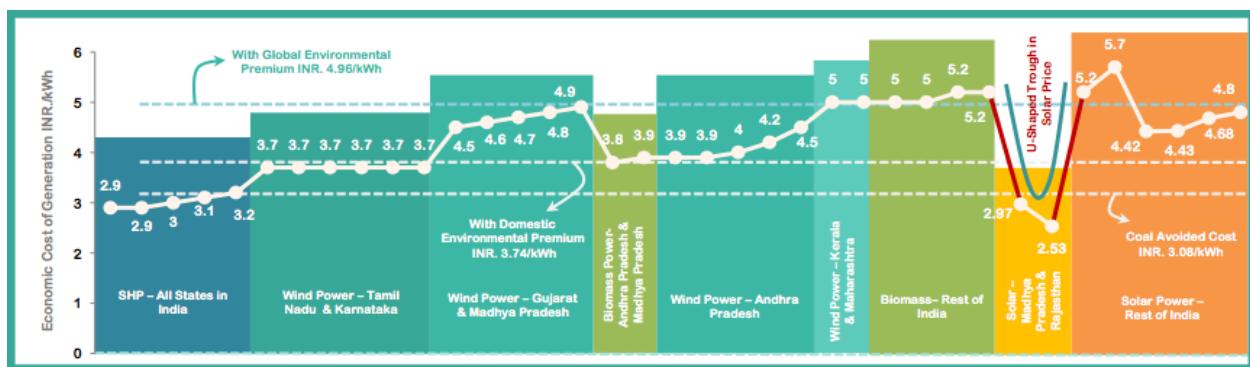
(Source: Enincon Report)

The following chart sets forth the LCOE from different sources of generation and a comparative analysis:



Note: Size of circle represents the size of the project. The center of each circle is the value for cost of each project on Y-axis. (Source: Enincon Report)

The following chart sets forth the economic cost of generation – wind comparative analysis of LCOE with other sources:



Note: Size of circle represents the size of the project. The center of each circle is the value for cost of each project on Y-axis. (Source: Enincon Report)

## OUR BUSINESS

### Overview

We are an end-to-end power solution provider of diesel generator sets, both primary and secondary, and we are one of three Original Equipment Manufacturers (“**OEMs**”) in India for Cummins India Limited (“**Cummins India**” and together with its Indian and global affiliates, “**Cummins**”). We are also in the wind power business, as an Independent Power Producer (“**IPP**”) and as Engineering, Procurement and Construction (“**EPC**”) developer for other IPPs.

We provide diesel generator solutions to our customers by way of manufacturing, marketing and supply, installation, testing and commissioning and after-sales servicing and maintenance of diesel generator sets. We manufacture certain auxiliary systems for diesel generator sets, such as acoustic enclosures, fuel and exhaust systems and power and control systems. We also provide pre-purchase consultancy, design, engineering, sale, installation, lease, operation and maintenance of medium speed large generator sets (“**MSLG**”). We commenced our diesel generator set business in India in 1984 and our MSLG business in 1996. We cater to customers in the states of Maharashtra, Goa, Karnataka, Kerala, Tamil Nadu and the union territories of Puducherry and Andaman and Nicobar Islands for our diesel generator set business.

We diversified into the wind power business and commissioned our first wind power project in 2008. We commenced our EPC business for our own IPP projects in 2012 and for other IPPs in 2014. The wind power projects we own have a total operational capacity of 203.35 MW. We develop, build, own and operate wind power projects that generate electricity for utility companies and since 2014, we have developed balance of plant for wind power projects with aggregate generation capacity of 142.6 MW.

Our Company is promoted by Naresh Chander Oberoi, Bharat Naresh Oberoi and Kharatiram Kharak Puri, who have been involved in the diesel generator set business for several decades and led our foray into the wind energy business.

Our total income was ₹ 6,665.82 million, ₹ 12,913.17 million, ₹ 14,415.43 million and ₹ 13,278.43 million, while our profit was ₹ 562.40 million, ₹ 960.54 million, ₹ 1,180.71 million and ₹ 766.48 million for the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, respectively.

### ***Diesel Generator Set Business – Cummins and MSLG***

We are one of the three OEMs in India for Cummins. For the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, we sold 3,575 units, 7,096 units, 6,767 units and 6,168 units of diesel generator sets, respectively. For the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, our income from the sale of diesel generators sets was ₹ 4,281.02 million, ₹ 8,950.37 million, ₹ 10,117.87 million, ₹ 9,504.23 million, or 64.22%, 69.31%, 70.19%, and 71.58% of our total income, respectively.

In our diesel generator set business, we engage in manufacturing, marketing and supply, installation, testing and commissioning (“**SITC**”) for a wide range of diesel generator sets, with capacities from 7.5 kVA up to 2,750 kVA. We source the engines and alternators used in our diesel generator sets from Cummins and assemble the sets with other required peripherals manufactured by us, such as control panels, customized synchronized panels, base frames, fuel tanks, acoustic enclosure and room acoustic materials. We also design and manufacture Very High Horse Power – ranging from 750 kVA to 2,750 kVA (“**VHHP**”) compact diesel generator sets that are portable, simple to install and ready to use.

We have also entered into an arrangement with Cummins to provide non-exclusive after-sales services, including the sale of spare parts, to customers of Cummins for diesel generator sets powered by Cummins engines installed in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu.

We own and operate three manufacturing facilities that are located at Bengaluru in Karnataka, Khopoli in Maharashtra and Silvassa in Dadra and Nagar Haveli. As of December 31, 2018, our sales network comprised 21 sales and marketing offices in India, supported by 115 sales executives, and 10 service centers located in Karnataka, Maharashtra, Puducherry, Andhra Pradesh and Tamil Nadu. We sell our diesel generator sets to market segments including industrial and corporate end-users from various industries such as service, manufacturing, realty, automotive, FMCG and agriculture, hospitality, pharmaceuticals, information technology and mining. Our major customers include leading companies such as Magarpatta Township Development and Construction Company Limited, Aurolab, Modern Road Makers Private Limited, Raymond Limited, Sanofi India Limited, Syntel International Private Limited, Macleods Pharmaceuticals Limited, Imperial Engineering Company, Netmagic IT Services Private Limited and Supreme Industries Limited.

We also provide pre-purchase consultancy, design, engineering, sale, installation, lease, operation and maintenance of MSLGs. We also offer these sets in multiples for parallel operations for base load power stations from 3 MW up to 10 MW that can run on diesel and relatively cheaper heavy fuel grades such as heavy fuel oil, low sulphur heavy stock and light diesel oil. We also offer spare parts, O&M, and lease rental of MSLG sets.

For the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, our diesel generating sets segment accounted for income of ₹ 5,424.93 million, ₹ 11,197.52 million, ₹ 12,464.92 million and ₹ 11,902.56 million, or 81.38%, 86.72%, 86.48% and 89.64% of our total income, respectively.

### **Wind Power Business – IPP**

Our first wind power project was commissioned in 2008 and we currently own and operate 11 wind power projects with an aggregate generation capacity of 203.35 MW in the states of Gujarat and Tamil Nadu. Out of our eleven operational wind power projects, six wind power projects were purchased as turnkey projects from Vestas, one from Wind World India Private Limited (“**Wind World**”, formerly known as Enercon (India) Limited), and the other four wind power projects with an aggregate generation capacity of 100.6 MW, were developed and completed by our project development team in cooperation with our OEM partner responsible for installation and commissioning of the WTG. For details of our wind power projects, see “*Our Wind Power Business – IPP Division*” on page 101.

In December 2017, we had won a competitive bid to supply 50.6 MW power at the rate of ₹2.44/kWh in a wind power auction conducted by Gujarat Urja Vikas Nigam Limited (“**GUVNL**”). Subsequently, a letter of award was issued in our favour and we executed a power purchase agreement with GUVNL in January 2018. We have also entered into agreements with Vestas for the supply, erection and commissioning and O&M of WTGs for the project. We commissioned this Bhatel Wind Farm in January 2019.

### **Wind Power Business - EPC**

Since 2014, we have developed wind power projects with aggregate generation capacity of 142.6 MW. These consist of four wind power projects owned by us aggregating 100.6 MW and four wind power projects in Gujarat with aggregate generation capacity of 42.0 MW, which we sold to other IPPs in India.

We have executed definitive agreements with Vestas for the co-development of 250 MW of wind power projects as part of joint venture agreement for the development of 750 MW of wind power projects. We are currently in the process of developing two wind power projects with an aggregate capacity of 500 MW (which includes 250 MW for which we have definite agreements with Vestas) in the states of Gujarat and Andhra Pradesh.

### **Wind Power Business – Operations and Maintenance for balance of plant**

We also provide maintenance services for the balance of plant (“**BOP**”) at eight wind power projects with an aggregate capacity of 142.6 MW, which have been developed by us and are either owned by us, or sold to other IPPs.

For the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, our wind turbine generators segment accounted for income of ₹ 1,194.42 million, ₹ 1,589.24 million, ₹ 1,694.81 million and ₹ 1,161.67 million, or 17.92%, 12.31%, 11.76% and 8.75% of our total income, respectively.

### **Our Competitive Strengths**

We believe that we possess the following competitive strengths:

#### ***Our Established Leadership in the Diesel Generator Set Market***

We have established a leadership position in the Medium Horse Power – ranging from 75 kVA to 350 kVA (“**MHP**”) and VHHP, in the regions in which we operate. (*Source: TechSci DG Report*) Our Promoters have been involved in the diesel generator sets business since 1981. Cummins India is the leader in manufacturing diesel engines for generator set applications in India (*Source: TechSci DG Report*). We have also been able to generate significant repeat business, which illustrates our customers’ satisfaction with our products and services. Our after-sales services has received appreciation for our quick response for spare parts and service support. We sell our diesel generator sets to almost all market segments including industrial and corporate end-users from various industries such as services, manufacturing, realty, automotive, FMCG, agriculture, hospitality, pharmaceuticals, information technology and mining.

#### ***Alliances with Industry Leaders***

We enjoy strong alliances with technical partners who are leaders in their respective fields. Through these arrangements, we have been able to establish our presence as a leading non-exclusive authorized OEM for Cummins India in the generator set business and enter new lines of business such as wind power. We continue to maintain strong relationships and association with the following companies:

**Cummins India.** We sell a wide variety of diesel generators, which utilize Cummins engines and alternators. We have also entered into an arrangement with Cummins India to provide non-exclusive after-sales services, including spare parts, for all diesel generator sets powered by Cummins engines that are installed in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu.

**Vestas.** According to FTI Consulting Inc, Vestas was ranked as the world’s largest supplier of wind turbines in 2017 (based on preliminary data analysis). We started our association with Vestas in the wind energy business in 2008 and over the years we have implemented 10 wind power projects representing an installed capacity of 198.55 MW of WTGs.

In June 2016, we entered into a joint venture agreement with Vestas to jointly invest in the development of up to 750 MW of wind power projects by 2020. As a part of this agreement, we have executed definitive agreements with Vestas for the co-

development of 250 MW of wind power projects and have equal ownership of the entity developing the projects. Vestas will be the exclusive supplier of WTGs in the projects and will provide erection, commissioning, operation, maintenance and other services in relation to WTGs, while we will provide BOP and other services.

We have executed a binding term sheet with Vestas for the supply, erection and commissioning of 150 MW for our IPP power projects, of which we have commissioned the 50.6 MW Bhatel Wind Farm. In addition, we continue to enter into arrangements with Vestas for future IPP projects.

We believe that these alliances will help us to continue to grow our business and provide superior products and services.

#### ***Strong Technical and Execution Capabilities***

We have recruited skilled manpower, implemented systems and procedures and acquired machinery from reputed suppliers to manufacture quality diesel generator sets to meet national standards. Our factories have computerized numerical control (“CNC”) machines for punching, bending and fabrication of steel metal components required for an acoustic enclosure for generator sets to meet environmental regulations. For consistent quality and high volume productivity, we have fully automated machinery such as the Punching-Shearing-Buffering-Bending (“PSBB”) line machine at our Khopoli facility and the ITW Gema robotic painting gun at our Silvassa facility.

We have developed in-house mechanical engineering skills to design as well as facilities to undertake fabrication of structures. We use technology such as 3D modeling to design such complex projects, to ensure the integrity of all electrical system designs, irrespective of size or complexity of the project to ensure smooth and timely implementation of projects on site.

Our trained and technically proficient workforce complements our manufacturing facilities and engineering capabilities. As of December 31, 2018, our design and engineering team consisted of 42 engineers from mechanical and electrical fields. As of the same date, over 70% of our employees in our spare sales and service support team held engineering diploma degrees. We conduct periodic training for engineering and technical team. Our engineers undergo a training program at Cummins India on product knowledge and after sales service to our customers and as of December 31, 2018, 323 of our service engineers had successfully completed Cummins India certification courses.

We forayed into the MSLG business in 1996 and this business of providing end to end power solutions to customers, enabled us to develop strong in-house project expertise which we utilize for our EPC business.

We have an integrated and disciplined approach to developing wind power projects, with capabilities and in-house resources to implement a project from the stage of wind resource analysis (“WRA”) to commissioning. Our project development team is responsible for various stages, including conducting feasibility studies for WRA, forecasting and determining the projected generation yield, optimum micrositing and project layout, power evacuation approval, acquisition of land for WTG locations, acquisition of right of way for access to WTG locations and pole and tower transmission lines for internal and external transmission of power generated within and from wind power projects and supply and commissioning of the BOP. Our project execution team emphasizes on higher efficiency and cost optimal solutions. In addition, we provide O&M services for BOP for the life of a project.

We have a centralized diagnostic control system which is connected with each of the wind turbines we own to have continuous monitoring of each wind turbine by a team of engineers.

#### ***Large and Diversified Customer Base***

We have a large, diversified and established customer base in India. Our products are used by all segments of the market such as industrial and corporate end-users from various industries including service, manufacturing, realty, automotive, FMCG and agriculture, hospitality, pharmaceuticals, information technology and mining. Our major customers include leading companies such as Magarpatta Township Development and Construction Company Limited, Aurolab, Modern Road Makers Private Limited, Raymond Limited, Sanofi India Limited, Syntel International Private Limited, Macleods Pharmaceuticals Limited, Imperial Engineering Company, Netmagic IT Services Private Limited and Supreme Industries Limited.

Over the years, we have leveraged our experience of being a preferred supplier of diesel generator sets to provide turnkey and customized solutions to develop customized products for our customers leading to long-term mutually beneficial relationships with them.

For our wind power IPP business, our power offtake customers include state electricity boards such as GUVNL and the Tamil Nadu Generation and Distribution Corporation (“TANGEDCO”). Of our 203.35 MW of projects, 176.95 MW are located in the state of Gujarat and supply power to GUVNL, while the remaining projects are located in Tamil Nadu and supply power to TANGEDCO.

Our other wind IPP customers to whom we have delivered completed projects include Astra Microwave Products Limited, Sterling Agro Industries Limited and Dev Dwarka Wind Project Limited.

#### ***Experienced and Proven Management Team***

Our management team is well qualified and experienced in the industry and has been responsible for the growth in our operations.

Naresh Chander Oberoi, one of our Promoters with over 38 years of experience in the power generator set business has driven our growth since our inception. Bharat Naresh Oberoi, Joint Managing Director, also has over 22 years of experience in marketing in the power generator set industry. Pradeep Gupta, Whole Time Director, has been responsible for our wind division since its inception. We believe we have a strong and experienced senior management team and most of our key managerial personnel have been working with us for more than 15 years. Through their commitment and experience, our management team has helped us to grow our business and maintain high productivity.

## **Our Strategies**

We intend to pursue the following principal strategies to optimize our competitive strengths and grow our business:

### ***Capitalize on Continued Demand for Generator Sets***

We believe that anticipated economic growth, lack of stable power supply, energy deficits, growing demand for backup power and inadequate power infrastructure may continue to lead to greater demand for generator sets in India. For the financial year 2018, the southern and western regions of India where we operate, accounted for 29.87% and 28.18% of the total diesel generator sets market in India, by value, respectively. A rapid rate of industrialization, as well as the rapid growth of IT and data centers in Bengaluru and Chennai, have led to a growth in the demand for power in southern India, while western India is home to the largest number of industries where the demand for generator sets remains high as they are used as a reliable source of backup power. In addition, by the year 2025, the southern and western regions of India are expected to account for 30.93% and 28.19% of the total diesel generator sets market in India, by value, respectively. (*Source: TechSci DG Report*)

Further, with demand for power generally increasing, we expect the demand for MSLG diesel units with large capacities to grow as well. The market size for MSLGs in India, by volume, grew from 22 MW during the financial year 2013 to 56 MW during the financial year 2017 and is expected to reach 185 MW during the financial year 2023. (*Source: TechSci Global MSLG Report*)

We believe all these will lead to an increase in the demand for our products and services. Our generator sets business would be ideally placed to cater to such demand for reliable and consistent back-up power. Our generator sets can also serve as primary sources of power in remote or outdoor locations that are not connected or have limited access to the electricity grid, such as construction sites, railways, mining, quarrying and oil and gas operations. We can leverage our existing facilities, which currently operate on a single shift, to meet higher demand by operating in multiple shifts.

### ***Continue to Develop our Wind Power Business***

We believe that the continuing growing trends towards renewable energy on account of greater environmental awareness and the general trend away from non-renewable sources of energy provide us with a significant opportunity to expand our wind power business. For example, the Government is expected to achieve 40% of its energy from non-fossil sources by 2030 and has set the renewable energy target at 175 GW by the financial year 2022. (*Source: Enincon Report*) In addition, we believe that the regulatory requirements will incentivize certain private entities to source their power requirements from renewable sources. Interstate transmission charges have also been waived for 25 years for projects commissioned until March 31, 2022, which will expand offtake options in the short term power market. The Power Grid Corporation of India Limited is constructing green energy corridors to integrate renewable energy with the main grid, connecting renewable energy-rich states to states that lack renewable energy generation potential, which is expected to boost inter-state sale of power generated from renewable energy.

Through the years, the capital cost of wind energy per kWh has become competitive compared to other sources of power due to economies of scale and the large manufacturing capacity for wind turbine generators in India.

We seek to increase our wind IPP portfolio and continue to add capacities in our wind business by leveraging the co-operation and support of Vestas and requirements of wind power from state and central utilities. We have executed a binding term sheet with Vestas for the supply, erection and commissioning of WTGs for our 150 MW IPP power projects, of which we have commissioned the 50.6 MW Bhatel Wind Farm in January 2019.

For our EPC business, we entered into a joint venture agreement with Vestas covering an aggregate of 750 MW of wind power projects, pursuant to which we have the option to purchase any of the projects jointly developed with Vestas, at terms and conditions to be mutually agreed between us, before these can be offered to third parties. We may exercise such option to purchase to increase our portfolio of wind power projects. We are currently in the process of developing two wind power projects with an aggregate capacity of 500 MW in the states of Gujarat and Andhra Pradesh.

We also seek to enhance our project execution capabilities to control our cost of BOP and optimize the output of our projects. At the project execution stage with multiple projects within one state, we expect to reduce our cost of manpower, infrastructure and resources. We also intend to continue to develop O&M capabilities for the BOP and improve our performance monitoring capabilities for turbines with predictive and proactive maintenance to enhance the lifespan of a turbine.

We intend to continue to maintain our growth for wind power projects targeting several states and opportunity provided by auctions. We intend to use economies of scale to continue to negotiate better prices of the turbines as well as supply of material and equipment for the BOP and operations and maintenance terms from our vendors.

## **Further Develop and Strengthen our Alliances to Improve Our Position in India**

Cummins, Hyundai and Vestas are among the global leaders in their particular market segments. We will continue to explore opportunities to expand the scope of our relationship with them. For example, we have entered into an arrangement with Cummins India to provide non-exclusive after-sales services, including spare parts, for all diesel generator sets powered by Cummins engines installed in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu.

In our MSLG business, we have been working with Hyundai since April, 2014 and we expect to continue to grow our emergency diesel generator set applications and base load applications business with Hyundai.

On February 6, 2018, our Company signed a binding term sheet with Vestas for the supply, erection and commissioning of WTGs for 150 MW of our IPP wind power projects, of which we have commissioned the 50.6 MW Bhatel Wind Farm in January 2019. Vestas will provide O&M services for all WTGs of these wind power projects for 15 years.

Our Company has entered into a joint venture agreement with Vestas in June 2016 to jointly invest in the development of up to 750 MW of wind power projects by 2020 and sell wind power projects to other IPP. Pursuant to this agreement, Vestas will be the exclusive supplier of WTGs to the projects, provide erection, commissioning, operation, maintenance and other services in relation to WTGs, while we will provide services such as supply, erection, commissioning, operation and maintenance and development services in relation to BOP.

We believe that these arrangements will provide us with an opportunity to improve our engineering capabilities to offer better products and services in our wind power and diesel generators businesses. We also intend to continue to pursue strategic alliances that may provide us with greater access to advanced technologies and allow us to diversify our product and customer base in India.

## **DESCRIPTION OF OUR BUSINESS**

Our business and operations are divided into two major businesses, our generator set business and wind power business. We are an end-to-end power solution provider of diesel generator sets, both primary and secondary, and we are one of three OEMs for Cummins India. We provide these solutions to our customers by way of manufacturing, marketing, installation, commissioning and after-sales servicing and maintenance of our diesel generator sets powered by Cummins engines. We also provide pre-purchase consultancy, design, engineering, sale, installation, lease, operation and maintenance of MSLGs.

We are in the wind power business, as an IPP and as EPC developers for other IPPs.

### **Our Generator Set Business**

#### **Cummins Division**

##### Products and Services

We manufacture a range of diesel generator sets powered by Cummins engines. We source the engines and alternators used in our diesel generator sets from Cummins India, assemble them along with components such as control panels and acoustic boxes manufactured by us and sell diesel generator sets. Our diesel generator sets range in single unit power generation capacity of up to 2,750 kVA. We also design and manufacture containerized or compact diesel generator sets that are portable, can be mounted on any location without foundation or flooring, and are simple to operate (plug-and-play). They have been designed to comply with the standards set by the Ministry of Environment and Forests and have capacities that range from 750 kVA to 2,000 kVA.

The following table sets forth our sales of diesel generator sets powered by Cummins engines across product ranges for the periods indicated:

	Six Months Ended September 30, 2018			Financial Year 2018			Financial Year 2017			Financial Year 2016		
	Product Range (in kVA)	No. of Units	Total Sales (₹ in million)	Percent of Total Sales	No. of Units	Total Sales (₹ in million)	Percent of Total Sales	No. of Units	Total Sales (₹ in million)	Percent of Total Sales	No. of Units	Total Sales (₹ in million)
Up to 75 (LHP)	1,544	525.48	12.27	2,860	993.85	11.10	2,785	1,038.60	10.27	2,509	975.72	10.27
75 - 350 (MHP)	1,406	1,206.11	28.17	2,962	2,590.24	28.94	2,773	2,651.51	26.21	2,530	2,496.73	26.27
350-750 (HHP)	447	1,179.38	27.55	921	2,562.02	28.62	798	2,471.62	24.43	756	2,371.12	24.95
750-2,750 (VHHP)	178	1,370.05	32.01	353	2,804.25	31.33	411	3,956.14	39.10	373	3,660.66	38.52
<b>Total</b>	<b>3,575</b>	<b>4,281.02</b>	<b>100</b>	<b>7,096</b>	<b>8,950.36</b>	<b>100.00</b>	<b>6,767</b>	<b>10,117.87</b>	<b>100.00</b>	<b>6,168</b>	<b>9,504.23</b>	<b>100.00</b>

##### Non-exclusive authorized OEM for Cummins

We are a non-exclusive authorized OEM in India for Cummins India and our current OEM certificate is valid until December

31, 2019.

### Warranties

The Cummins international standard warranties are applicable to all engines delivered to us in India and sold in co-branding with them.

### Turnkey Solutions

We provide turnkey solutions that include SITC of our diesel generator sets for our customers. Our scope of work typically involves conducting project feasibility studies, site planning, design works, supply of DG sets, site scope of installation works and then testing and commissioning of the equipment. Such projects are usually at VHHP requirements of single or multiple units between 750 kVA and 2,250 kVA. We have also set up a dedicated marketing team which is supported by operational personnel and other staff to cater to the needs of our larger customers.

### Dealership Arrangement with Cummins India

We commenced providing after-sales service and the sale of spare parts for Cummins engines in 2010 and we are currently permitted to provide such services in certain regions of Karnataka, Maharashtra, Puducherry and Tamil Nadu. Our non-exclusive dealership arrangement has been renewed for a period of three years and is currently valid up to December 31, 2021. We have also set up a customer care center. Our service engineers are trained and certified by Cummins India to provide after-sales services.

### ***Our Manufacturing Facilities***

The following table sets forth the details of our various manufacturing facilities:

Facility	Location	Area of Facility / Floor Space	Capacity - Units per Year	Date of Commissioning	Facilities	Quality Standards (Accreditation)
Bengaluru DTA	Bengaluru, Karnataka	22,000 sq.m	10,800	April 16, 1991	Assembly of diesel generator sets, acoustic panels, room acoustic panels, customized panels, base frame manufacturing, product development, R&D and testing	ISO 9001:2015
Silvassa	Silvassa, Dadra and Nagar Haveli	10,000 sq.m	5,000	March 11, 2004	Assembly of diesel generator sets, acoustic panels, room acoustic panels, customized panels, base frame manufacturing, product development, R&D and testing	ISO 9001:2015
Khopoli	Khopoli, Maharashtra	4,800 sq.m	10,000	March 4, 2014	Acoustic panels	-

### **MSLG Division**

We commenced our MSLG business in 1996 and are engaged in the design and sale of MSLG sets and spare parts, and annual maintenance contract / comprehensive annual maintenance contract, O&M and rental of MSLG generators. We also provide pre-purchase consultancy, design, engineering, sale, installation and lease of MSLGs. We also offer these sets in multiples for parallel operations for base load power stations from 3 MW to 10 MW that can run on diesel and relatively cheaper heavy fuel grades such as heavy fuel oil, low sulphur heavy stock and light diesel oil.

We have in-house capabilities for manufacturing acoustic enclosures, control panels and other BOP equipment including automation systems for control and monitoring of such power plants from central control stations. This ensures that we have greater control over delivery, quality and after-sales services. The panels can also be customized for clients' specific requirements. We also have in-house capabilities for the design of MSLG sets.

Our O&M contracts have terms ranging from one to five years. We also lease out MSLG generator sets ranging from 1,250 kVA to 4,500 kVA, which are typically used by industrial consumers, typically five years. We provide BOP services for each leased unit. We also purchase MSLG generators which we refurbish and with which we provide turnkey power solutions to our customers.

We currently have one project under execution for an oil refinery comprising one 5.5 MW generator and one with 900 KW generator. In December 2018, we received an order for the sale of two MSLG sets from Bharat Heavy Electricals Limited.

In addition, in February 2019, we were awarded a contract by a Government of India enterprise for the supply, erection and

commissioning of 10 MSLG sets of 6.3 MW each.

## Our Wind Power Business

### IPP Division

We own 11 operational wind power projects where we are generating and selling power, aggregating total generation capacity of 203.35 MW. The table below sets forth a summary of our operational wind power projects:

Project	Total Installed Capacity (in MW)	Month/Year of Commissioning	PPA Customer / Full Term from COD (in years)	Applicable Tariff (Rs./ unit)	PLF(%)			Generation (kWh in millions)				
					September 30, 2018	Financial Year			September 30, 2018	Financial Year		
						2018	2017	2016		2018	2017	2016
Jamnagar Wind Farm	4.80	March / April, 2008	GUVNL / 20	3.37	28	21	23	23	5.96	8.81	9.78	9.63
Tirunelveli Wind Farm	16.50	August / September, 2009	TANGEDCO / 20	3.39	48	30	28	16	34.76	43.50	41.00	22.69
Jangi-Vandhiya Wind Farm	14.85	March, 2010	GUVNL / 25	3.56	35	20	21	20	22.54	26.44	26.89	26.26
Theni Wind Farm	9.90	September, 2010	TANGEDCO / 20	3.39	39	23	24	14	16.94	19.60	20.96	12.21
Jangi-Vandhiya II Wind Farm	9.90	January, 2011	GUVNL / 25	3.56	29	17	17	17	12.40	14.61	14.59	14.66
Jangi-Vandhiya III Wind Farm	21.60	July / December, 2011	GUVNL / 25	3.56	43	27	27	26	40.36	51.22	51.48	49.98
Jangi-Vandhiya IV Wind Farm	25.20	February / March, 2012	GUVNL / 25	3.56	43	29	29	29	47.84	64.07	64.61	64.53
Jangi Wind Farm	22.00	June / July, 2014	GUVNL / 25	4.15	35	25	25	25	34.10	48.15	47.76	48.82
Goinj Wind Farm	18.00	March, 2015	GUVNL / 25	4.15	40	29	30	30	31.30	45.96	47.61	47.23
BDS Wind Farm	10.00	January / February, 2017	GUVNL / 25	4.19	49	33	37	-	21.62	28.77	4.02	-
Bhatel Wind Farm	50.6	December, 2018 / January, 2019	GUVNL / 25	2.44	-	-	-	-	-	-	-	-

### Land Arrangement for Operational Wind Farms

The table below summarizes the land arrangements for our operational wind power projects.

Project	Type of Land	Area (in hectares)	Rights	Rental Payment per Year (in case of lease)
Jamnagar Wind Farm	Government waste land	3	Sub-lease agreements	₹ 10,000 per hectare
Tirunelveli Wind Farm	Private land	15.36	Owned	Not applicable
Jangi-Vandhiya Wind Farm	Private land	10	Owned	Not applicable
Theni Wind Farm	Private land	7.44	Owned	Not applicable
Jangi-Vandhiya II Wind Farm	Private land	6.7	Owned	Not applicable
Jangi-Vandhiya III Wind Farm	Private land	13	Owned	Not applicable
Jangi-Vandhiya IV Wind Farm	Private land	15.6	Owned	Not applicable
Jangi Wind Farm	Private land	13	Owned	Not applicable
Goinj Wind Farm	Government waste land	8	Lease agreement	₹ 10,000 per hectare
	Private land	2	Owned	Not applicable
BDS Wind Farm	Government waste land	5	Lease agreement	₹ 10,000 per hectare
Bhatel Wind Farm	Government waste land	23	Lease agreement	₹ 10,000 per hectare

### Operations and Maintenance for Wind Farms

For each of the Tirunelveli Wind Farm, Theni Wind Farm, Jangi-Vandhiya Wind Farm, Jangi-Vandhiya II Wind Farm, Jangi-Vandhiya III Wind Farm and Jangi-Vandhiya IV Wind Farm, Vestas has agreed to provide scheduled and unscheduled maintenance services for WTGs and BOP for a period of ten years from the date of commissioning pursuant to a service and availability agreement. For the Jangi Wind Farm, Goinj Wind Farm, BDS Wind Farm and Bhatel Wind Farm, Vestas has agreed to provide comprehensive O&M services only for the WTGs, while O&M for the balance of plant is done by us.

Pursuant to a maintenance contract with Wind World, they have agreed to provide routine maintenance services for a period of ten years from March 31, 2008 at the Jamnagar Wind Farm, which agreement was renewed for a period of 10 years.

## **Power Evacuation for Operational Wind Farms**

Our Company delivers power generated from the Jamnagar Wind Farm to the Gujarat Energy Transmission Corporation Limited (“GETCO”) 220kV substation at Motipaneli using 220 kV transmission lines.

Our Company delivers power generated from the Tirunelveli Wind Farm to the 230/33kV TANGEDCO substation at Veeranam in Tirunelveli district and from the Theni Wind Farm to the 110/22kV TANGEDCO substation at Kandamanur and the 110/33-22kV TANGEDCO substation at Andipatti in Theni district. Vestas has borne the entire cost of setting up the interfacing lines up to the interconnection points, which were, together with the substation, handed over to TANGEDCO.

Pursuant to our power purchase agreements with GUVNL, power is delivered from Jangi-Vandhiya Wind Farm to the GETCO 132kV Samakhiali substation, while power is delivered from Jangi-Vandhiya II Wind farm to the GETCO 220kV Shivlakha substation using a 220kV transmission line.

Pursuant to our power purchase agreement with GUVNL, power is delivered from Jangi-Vandhiya III Wind Farm to the GETCO 220kV Shivlakha substation and from Jangi-Vandhiya IV Wind Farm to a GETCO 132kV Samakhiali substation and to the GETCO 220kV Shivlakha substation using 132kV and 220kV transmission lines. Vestas maintains the 220/33kV Vandhiya and 132KV/33kV Shikarpur pooling substations.

Pursuant to our power purchase agreement with GUVNL, power is delivered from Jangi Wind Farm to the GETCO 220kV Shivlakha substation using a 220kV interfacing line.

Pursuant to our power purchase agreement with GUVNL, power is delivered from the Goinj Wind Farm and BDS Wind Farm to GETCO 66kV Goinj substation using 66kV transmission lines.

Pursuant to our power purchase agreement with GUVNL, power is delivered from Bhatel Wind Farm through 66/33kV Bhatel pooling substation to the GETCO 132/66kV Khambaliya substation using 66kV transmission line.

### **Wind Power Project Auctions**

The wind power industry in India has transitioned from a feed-in-tariff regime to a bidding regime. To help non-windy states fulfill their renewable purchase obligation, MNRE has started apportioning wind power capacity by way of reverse auction where bidders compete to offer the lowest tariff level. The first 1,000 MW auction in February 2017 saw bids for tariffs as low as ₹ 3.46/kWh, which was lower than the average feed-in-tariff of ₹ 4.19/kWh. Subsequently, each of the two leading windy states, Tamil Nadu and Gujarat, held biddings for 500 MW each. For details, see “*Key Regulations and Policies*” beginning on page 108.

In December 2017, we have won a competitive bid to supply 50.6 MW of power at the rate of ₹ 2.44/kWh from our Bhatel power project in an auction conducted by GUVNL. We signed a power purchase agreement with GUVNL on January 11, 2018 covering a term of 25 years. We commissioned this Bhatel Wind Farm in January 2019.

In February 2019, we won a competitive bid to supply 50.6 MW of power at the rate of ₹ 2.82/kWh in an auction conducted by the Solar Energy Corporation of India Limited, a Government of India enterprise under the administrative control of the Ministry of New and Renewable Energy.

In future, we plan to increase our wind IPP capacity by participating in public reverse auctions to supply wind power to state distribution companies. The table below sets forth a summary of our wind power project, aggregating 90 MW with which we have participated or are planning to participate in auctions.

<b>Project Location</b>	<b>Capacity</b>	<b>WRA</b>	<b>Land Status</b>	<b>Evacuation status</b>	<b>Remarks</b>
Rajkot	90 MW	Completed in April 2018	Most of the land has been allotted	Allotted	Ready for next bidding

### **EPC Wind Division**

Since 2014, we have developed wind farms (excluding WTG erection and commissioning) with aggregate generation capacity of 142.6 MW. These consist of our four wind farms aggregating 100.6 MW (namely: the 22.0 MW Jangi Wind Farm, the 18.0 MW Goinj Wind Farm, and the 10.0 MW BDS Wind Farm and 50.6 MW Bhatel Wind Farm) and four wind farms in Gujarat with aggregate generation capacity of 42.0 MW, which we sold to other IPPs in India. We provide maintenance services for BOP at these eight wind farms.

The key stages in the development of a wind power project include:

- *Wind resources assessment:* We install wind mast at potential sites and conduct wind resource assessment of the proposed site to estimate the annual energy yield for the project. We have in-house wind resources assessment tools, techniques, software and methodology to conduct average park efficiency, micro siting and arrive at estimated generation of individual turbine. We obtain necessary approvals from government authorities for installing wind masts to obtain long-term site specific wind data and register the wind masts with the Centre for Wind Energy Technology. We then review the wind data and make wind resource estimates and micro siting of the project and energy analysis,

estimating uncertainty and corrections to be able to conclude suitable turbine technology, layout, hub height and rotor diameter for the proposed project.

- *Land procurement:* After the wind resources assessment, we start the process of land acquisition through in-house land aggregators or sub-developers and EPC contractors, as required. There are two types of land: government revenue land which we acquire on lease from state governments and private land. Government land is acquired after obtaining various no-objection certificates from government departments and is typically allotted for 20 years on a lease basis, which is renewable till the life of the project. Private land is acquired after thorough due diligence and obtaining land title reports from legal consultants. After executing the sale deed and completing other formalities, we obtain non-agriculture permission and various other approvals that are required. We identify the pathways to approach the locations as well as for installation of transmission lines after conducting a detailed and through logistics and route surveys. Based on the survey reports and type of land, we acquire permanent right of way by executing notarized / registered agreements, through land aggregators with the respective land owners for the life of the project.
- *Approvals:* After procuring land, we obtain all the requisite approvals and permissions such as developer approvals and capacity allotments from the state agencies. During the approval process, we hold meetings with state and central agencies and local stake holders and seek project approvals from relevant state and central authorities.
- *Power evacuation transmission:* Through Power Research & Development Consultants Private Limited, we conduct the load flow study for power evacuation for our proposed projects. Thereafter, we are able to determine the availability of transmission structure and flow of power to the nearby grid. There are either state transmission units (“STU”) or central transmission units (“CTU”). STUs are controlled by the respective state distribution company for flow of power within the state. Currently, interstate transmission charges are waived off and hence power generated in the windy states can be transmitted to non-windy states with no transmission charges. Based on the size of the project and availability of nearby STU/CTU, we plan the evacuation scheme for our projects. We have in-house expertise to determine transmission capacity using public sources and our own data gathering. Power from our wind projects is typically evacuated at 33 kV and stepped up to 66/132/220 kV, depending upon the final transmission system of STU/CTU. We construct the dedicated pooling substation required to complete the evacuation scheme along with external transmission lines.
- *Bidding to determine tariffs:* State and Central authorities conduct bidding auctions before awarding contracts. For our own projects, we are required to follow the Solar Energy Corporation of India and Ministry of New and Renewable Energy guidelines for central bidding and relevant distribution company guidelines for state biding. While awarding contracts, certain factors that are considered include energy yield, generation reports, machine and site suitability reports, wind mast data and indicative machine cost. Other factors which are important for winning bids for our own projects are source of finance, debt-equity ratio, cost of balance of plant, implementation schedule, cost of funding, land profile, evacuation feasibility, regulatory and other risks. We make assessments prior to submitting a bid which includes the rating of the state distribution utility, ease of doing business in relevant state, land availability, wind and soil conditions, payment cycle, local issues, ease of construction, logistics survey, topography and compete feasibility of the project. For EPC projects, we along with the OEM discuss the complete turnkey solution for the project commissioning as well as operations and maintenance. After winning a bid, a letter of award is issued and a power purchase agreement is signed subsequently, which is typically for 25 years. Thereafter, balance of plant orders are placed with us and WTG orders are placed with the OEM for the construction and commissioning of the project.
- *Project Construction and Commissioning:* After winning a bid, we proceed for the third stage of the project cycle, which is the construction, installation testing and commissioning of the pooling substation and transmission lines connected to the utility substation, along with road constructions, right of way for access to the substation and transmission lines. Stage four of the project cycle includes the balance of plant where we have to construct, install, test and commission the foundation, unit substation, SCADA, internal transmission line to evacuate 33 kV power, plot development, crane pad, hard stand, right of way, construction of road for locations and other infrastructure required for the project and site establishment. OEM responsibilities include the supply of the WTG component, transportation of WTG, erection, testing and commission of the turbines. Construction typically takes between six and 12 months. Post commissioning of the project, a reliability test is conducted for individual turbines and integration within the project.
- *Operations and Maintenance:* For our EPC project, we undertake maintenance of the BOP for which we enter into definitive agreements with the customer. BOP includes internal transmission lines, unit substation and pooling substation. WTG maintenance is undertaken by the OEM.

### **Wind Farms Projects Development (EPC)**

We are currently in the process of developing two wind farms with an aggregate capacity of 500 MW in the states of Gujarat and Andhra Pradesh. We expect these two wind farms to be completed by March 2022. We enter into memorandums of understanding with parties in the ordinary course of our business for the joint development of such projects.

The table below sets forth a summary of EPC projects in pipeline:

Project	Capacity (in MW)	Land	WRA	Evacuation
Khambaliya (Dev Bhoomi Dwarka Gujarat)	250 (125x2)	Revenue land allotted	Six wind masts are installed and active. In addition, wind data for four masts is available for over two years.	Stage I and II evacuation connectivity at CTU level has been obtained along with an in-principle approval for evacuation at STU for 200 MW allotted at GETCO substation.
M.Bandameeda palli, Andhra Pradesh	250 (125x2)	Private land to be acquired by the special purpose entity	One wind mast installed and active and wind data available for approximately two years for two wind masts.	Stage I evacuation connectivity at CTU level has been obtained.
<b>Total</b>	<b>500</b>			

#### *Joint Venture Agreement – Vestas Wind Technology India Private Limited*

Our Company has entered into a joint venture agreement dated June 27, 2016 with Vestas for investment in the development of wind energy projects with an aggregate capacity of 750 MW by 2020. Subject to entering into definitive documentation in respect of each site, Vestas will supply the WTGs, electronic hardware and software for operating the WTGs, and provide O&M services for the WTGs in accordance with the agreements entered into with customers. Our responsibilities include activities pertaining to stage 1 development (which includes site identification, permits and approvals, logistics and line survey, and contour study), WRA initiation, micrositing and power evacuation approval. Our fees shall be agreed in advance on a project-by-project basis. As soon as a project site becomes feasible, results of the WRA are positive, and all permits related to evacuation and approval from nodal agency are in place, the joint venture will find a suitable customer who will enter into an exclusive agreement for the project. In case of a partial sale of a project, if our Company keeps part of the project, Vestas will offer the same WTG conditions that it offers to the customers of the other portion of the project, subject to certain terms.

Thereafter, either the customer or we will participate in the government's reverse auctions for wind IPPs. After winning the bid, the IPP customer or we, as the case may be, will place an order for machines with Vestas. The customer will also place an order for BOP with us. We will develop BOP for our own projects.

Pursuant to the joint venture agreement, our Company entered into a definitive agreement with Vestas on February 21, 2018 for the implementation of wind farms aggregating 250 MW. The projects will be held by Airpower Windfarms Private Limited, a special purpose entity, in which our Company and Vestas each hold 50% of the outstanding equity interest. We have entered into other definitive agreements, pursuant to which we will act as a contractor for stages one and two of setting up the wind power projects, which include identification of the sites, carrying out WRA site feasibility, acquiring land, right of way and other relevant approvals.

#### *Memorandum of Understanding with the State Government of Gujarat*

Our Company and Vestas have entered into a non-binding tripartite memorandum of understanding dated March 25, 2017 with the Government of the State of Gujarat. The State Government stated that it will facilitate the grant of necessary approvals and clearances in accordance with Wind Power Policy 2016 and relevant rules and orders.

#### *Memorandum of Understanding with the State Government of Andhra Pradesh.*

Our Company entered into a non-binding memorandum of understanding with the Government of Andhra Pradesh to establish 300 MW of wind power projects at the CII Partnership Summit held during February 24, 2018 to February 26, 2018.

We have also entered into a memorandum of understanding with the New and Renewable Energy Development Corporation of Andhra Pradesh dated May 24, 2016 for developing three sites exclusively and a memorandum of understanding dated April 4, 2018 for developing two sites exclusively, and a memorandum of understanding dated May 7, 2018 for developing one exclusive site.

#### **Sales and Marketing**

We have a sales and marketing team consisting of 37 sales executives in 21 marketing offices spread over the states of Karnataka, Kerala, Maharashtra, Goa and Tamil Nadu, as of December 31, 2018. Each marketing office possesses a sales team, each of which is led by a branch head. Our sales teams organize regular marketing events involving our customers and dealers as part of their marketing initiatives. We also enter into dealership arrangements with third parties from time to time for the sale of our diesel generator sets to customers. We incurred sales commissions of ₹ 9.58 million, ₹ 17.87 million, ₹ 17.00 million and ₹ 22.02 million for the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, respectively. We sell our diesel generator sets to industrial and corporate end-users in a number of customer segments.

The customers of our wind power IPP business are primarily state electricity boards such as GUVNL and TANGEDCO, who purchase power from our wind farms for use in their respective state grids. The customers of our wind power EPC and BOP O&M services are other wind power IPPs such as Astra Microwave Products Limited, Sterling Agro Industries Limited and Dev Dwarka WindProject Limited.

## **Raw Materials**

Apart from diesel engines and alternators that we source from Cummins, our raw material requirements are steel, copper, rubber, switchgear, panels and electrical components.

For our wind power projects, our principal raw materials include steel plates, copper winding, copper wire, ball bearings, cement for foundation works of the turbine, steel poles for internal lines, aluminium conductor for internal lines, steel bars for foundation and other civil works and rubber silicon for insulators.

We generally source our items on a purchase order basis and do not enter into long term agreements for most of our raw materials.

## **Intellectual Property**

Our Company has registered the Powerica label as a trademark under Class 9 in respect of generator sets and under Class 37 in respect of repairs, installation and after sales services.

## **Competition**

We face competition across our various lines of business.

Our diesel generator set business competes across a number of factors, such as size of the generator unit, location of the project, customization needs of the customer and our previous relationship with the customer. Because we operate in specified geographies, our competition also depends on the relative advantage of our competitors in these identified geographies. For example, in the HHP category, we face competition from several companies including Kirloskar Oil Engines Limited, Greaves Cotton Limited, Perkins India Limited, MTU India Limited and Caterpillar India Limited. In the MHP category, our competitors include all our competitors in the HHP category, and additionally, we face competition from Mahindra and Mahindra Limited, Ashok Leyland Limited, Eicher India Limited and the large unorganized sector. For further details, see “*Industry Overview*” beginning on page 69.

Our MSLG generator set business faces competition from the producers of larger generator sets, including Wartsilla and MAN.

Our wind power IPP business competes against other independent power producers for suitable land for wind farm construction, wind turbine generators, engineering and construction services and power purchase agreements with state electricity boards and private customers and sale of electricity through bid auction terms. We further face competition from alternative energy based generating units including solar, biomass and cogeneration units. Further, the relative attractiveness of the wind energy business would depend upon the cost of electricity generation and cost of storage from more conventional sources of energy, such as fossil fuels.

Our wind power EPC business competes against several unorganized contractors in different regions in the development of the project with respect to site selection, access to land, land allotment, access to vendors, allotment of power evacuation rights and availability of projects with other developers having better efficiency of the project, generation and cost.

## **Human Resources**

As of December 31, 2018, we employed 1,469 employees. The following table sets forth the composition of our employees by primary function, as of December 31, 2018:

Diesel Generator Business:

<b>Function</b>	<b>Number of Employees</b>
Administration, Human Resources and Legal	93
Accounting and Finance	70
Information Technology	13
Operations and Technical	943
Business Development	3
Secretarial	3
Sales and Marketing, Projects, Design and Engineering	266
Internal Audit	1
<b>Total</b>	<b>1,392</b>

Wind Power Business:

<b>Function</b>	<b>Number of Employees</b>
Administration, Human Resources and Legal	14
Accounting and Finance	10
Information Technology	1
Operations and Technical	12
Project Development and Site Management	40
<b>Total</b>	<b>77</b>

We provide various training programs for our employees. Employee training needs are assessed on an individual basis through competency tests. After analysis of the results, we work with our employees to prepare an appropriate training calendar.

In addition, as of December 31, 2018, we employed 1,037 contract workers in our manufacturing facilities.

### **Information Technology Systems**

We utilize several business application for our financing and project needs, including:

Software	Business Use
MS Project	Used in our project department to track the projects
Oracle Business Suite	Used for accounting of sales and purchase, and inventory management and financial accounting
Oracle Fusion CRM Cloud Service	Customer relationship management solution
ZWCAD	Used to design products and for 2D drawings
CAD WORX	Design software used for purposes including creating 3D and 2D drawings
Amada	Panel and fabrication design
InPower	Panel and fabrication design

### **Health, Safety and Environmental Matters**

We are subject to extensive, evolving and increasingly stringent safety, health and environmental laws and regulations governing our manufacturing processes and facilities. Such laws and regulations address, among other things, air emissions (particularly volatile organic compounds), waste water discharges, the generation, handling, storage, transportation, treatment and disposal of chemicals, materials and waste, workplace conditions and employee exposure to hazardous substances. We believe that we have complied and will continue to comply with all applicable environmental laws, rules and regulations. We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. We incur additional costs of conducting safety-related training programs for our employees and have guidelines in place for our employees with respect to health, safety and environmental management. We have incurred, and expect to continue to incur, operating costs to comply with applicable laws and regulations.

*Wind farms registered under the UNFCCC for clean development mechanism:*

Our wind farms located in Gujarat and Tamil Nadu, aggregating total generation capacity of 137.95 MW are currently registered under the United Nations Framework Convention on Climate Change (“UNFCCC”) and generation capacity of 60.6 MW is under registration. Consequently, our registered wind farms may generate and sell certified emissions reductions (“CERs”) under the Kyoto Protocol’s Clean Development Mechanism (“CDM”) project. The current clean development mechanism status of all relevant wind farms is indicated in the table below:

Wind Farm	Capacity (in MW)	Status
Jangi-Vandhiya Wind Farm	14.85	Registered on September 18, 2010, host country approval on March 17, 2010
Tirunelveli Wind Farm	16.5	Registered on October 21, 2010, host country approval on November 30, 2009
Theni Wind Farm	9.9	Registered on March 17, 2011, host country approval on November 15, 2010
Jangi-Vandhiya II Wind Farm	9.9	Registered on November 29, 2012, host country approval on May 26, 2011
Jangi-Vandhiya III Wind Farm	21.6	Registered on October 22, 2012, host country approval on April 3, 2012
Jangi-Vandhiya IV Wind Farm	25.2	Registered on January 31, 2013, host country approval on October 10, 2012
Jangi, Gujarat Wind Farm	22	Registered on October 17, 2014, host country approval on September 3, 2014
Goinj Wind Farm	18	Registered on December 17, 2015, host country approval on November 16, 2015
BDS Wind Farm	10	Registration in progress, host country approval pending
Bhatel Wind Farm	50.6	Registration in progress

### **Insurance**

Our operations are subject to various risks inherent in manufacturing, assembling and supply business as well as *force majeure* events such as fire, theft, earthquake, flood and acts of terrorism.

For our immovable properties, we maintain standard fire and special perils policies along with burglary and housebreaking insurance policies. For our movable properties, we maintain motor insurance policies for our vehicles, and marine cargo insurance for our goods / equipment in transit. For legal liabilities that may arise, we maintain public liability policy and the employee compensation insurance for our liabilities towards employees for injuries / death of employees due to accident during and in the course of employment. For the benefit of our employees we also maintain group personal accident insurance and group health insurance policies.

For our operational wind mill projects, we maintain industrial all risk policy, which covers a wide range of perils such as fire and allied perils, burglary, accidental damage, breakdown as well as business interruption.

For our under construction wind projects, we maintain erection all risk policies that cover risks during construction, such as for physical loss or damage to property, plant, machinery and tools, as well as third party liability related to works conducted on site.

Although we believe that we maintain insurance that is customary and in line with industry standards, our insurance coverage may not be sufficient. For further details, see “*Risk Factors*” on page 20.

### **Corporate Social Responsibility**

We are committed to promote education, women empowerment, vocational skills, social growth of villages in association with the local authorities through initiatives in the field of education, providing fodder for live stock and drinking water supply for the welfare of the local communities.

We have adopted a Corporate Social Responsibility (“CSR”) policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Central Government. For the financial year 2018, we spent ₹ 11.68 million on CSR activities.

### **Properties**

Our Company’s registered and corporate office is located at 9th floor, Bakhtawar, Nariman Point, Mumbai 400 021 and is owned by us.

In relation to our diesel generator set business, our operational facilities include three manufacturing units in India, each of which are owned by us. In addition, we also have 21 marketing offices (including our registered office) and 10 service centres. Some of the marketing offices and service centres are owned by us while some are occupied on a lease and license basis.

In relation to our wind power business, our installed wind power projects are located either on the (1) private owned land; or (2) government revenue land leased by our Company from the respective state government by entering into a long term lease agreement with that state government. Our wind power project pooling substations are installed and commissioned on privately owned land.

## KEY REGULATIONS AND POLICIES

The following description is a summary of the relevant sector specific key regulations and policies, as prescribed by the Government of India or State Governments which are applicable to our Company and our Subsidiaries and their respective businesses. The information detailed in this chapter has been obtained from publications available in the public domain. The statements below are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set forth below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated nor intended as a substitute for professional legal advice.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain and maintain applicable licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see “*Government Approvals*” beginning on page 251.

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

### Regulations Governing Renewable Energy

#### *Central Electricity Laws*

##### *Electricity Act, 2003*

The Electricity Act, 2003 (the “**Electricity Act**”) is a central unified legislation, which covers, amongst others, generation, transmission, distribution, trading and use of electricity. The Electricity Act governs the establishment, operation and maintenance of any generating company and prescribes technical standards in relation to its connectivity with the grid. Further, in accordance with Section 7 of the Electricity Act, a generating company may establish, operate and maintain a generating station without obtaining a license under the Electricity Act in the event it complies with the technical standards relating to connectivity with the grid prescribed under clause (b) of Section 73 of the Electricity Act. However, clearance is required to be obtained by a generating company from the Central Electricity Authority (“**CEA**”) for its hydroelectric projects. Further, in terms of the Electricity Act, generating companies are permitted to sell electricity to any licensee and where permitted, by the respective state regulatory commissions, to consumers.

Broadly, tariffs may be determined in the following ways:

- (i) in terms of Section 62(1) of the Electricity Act, the Central Electricity Regulatory Commission (“**CERC**”) is empowered to determine the tariff for the supply of electricity by a generating company to a distribution licensee. The appropriate electricity regulatory commission is guided by certain principles while determining the tariff applicable to power generating companies which include amongst other things, principles and methodologies specified by the CERC for tariff determination, safeguarding consumer interest and other multiyear tariff principles and the implementation of the NEP, Tariff Policy and NTP 2016;
- (ii) under Section 63 of the Electricity Act, tariff may be determined through the process of bidding in accordance with the guidelines issued by the Indian Government, and the appropriate regulatory commission shall adopt tariffs in accordance with the provisions of the Electricity Act; and
- (iii) the tariff shall be determined bilaterally between the State Government and the generating company by way of a power purchase agreement which shall be approved by the appropriate regulatory commission or by applying to such regulatory commission for a tariff order.

Under the Electricity Act, the transmission, distribution and trade of electricity are licensed activities that require licenses from CERC, concerned State Electricity Regulatory Commissions (“**SERCs**”) or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

Under the Electricity Act, the SERCs are required to, *inter alia*, promote co-generation and generation of electricity from renewable sources of energy and sale of electricity to any person. The Electricity Act further requires the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee.

##### *The National Electricity Policy, 2005*

The Indian Government notified the National Electricity Policy on February 12, 2005 (“**NEP**”), under Section 3 of the Electricity Act. The key objectives of the NEP, amongst other things are, stipulating guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders, keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources and energy security issues. The NEP provides that the network expansion be planned and implemented keeping in view anticipated transmission needs that would be incident on the system in the open access regime. The NEP encourages private investment in the transmission sector, and states that prior agreement with beneficiaries would not be a pre-condition for network

expansion and the central transmission utility, and the state transmission utility should undertake network expansion after identifying requirements in consultation with stakeholders and obtaining due regulatory approvals.

Further, NEP emphasizes the need to promote generation of electricity based on non-conventional sources of energy. The NEP provides that SERCs should specify appropriate tariffs in order to promote renewable energy (until renewable energy power producers (“**REPPS**”) relying on non-conventional technologies can compete within the competitive bidding system). SERCs are required to specify percentages of the total consumption of electricity in the area of a distribution licensee, which progressively increases the share of electricity generated from renewable sources. Furthermore, the NEP provides that such purchase of electricity by distribution companies should be through competitive bidding.

#### *The National Tariff Policy, 2016*

In exercise of the powers conferred under Section 3 of the Electricity Act, Government of India has notified the revised tariff policy to be applicable from January 28, 2016 (“**NTP 2016**”). NTP 2016 specifies that any action taken under the provisions of Tariff Policy, shall, in so far as it is not inconsistent with NTP 2016, be deemed to have been done or taken under the provisions of this NTP 2016. NTP 2016 has introduced several measures of reform and has an increased focus on renewable energy, sourcing power through competitive bidding and the need for ‘reasonable rates’. The objective of NTP 2016, *inter alia*, includes:

- (i) ensuring financial viability of the power sector and attract investments;
- (ii) ensuring availability of electricity to consumers at reasonable and competitive rates;
- (iii) promoting generation of electricity from renewable power sources; and
- (iv) promoting hydroelectric power generation.

It is important to note that the NTP 2016 has been drafted to guide the CERC and SERCs. The NTP 2016 has removed the ambiguity on applicability of the renewable purchase obligations (“**RPO**”) on co-generation as it has been clarified that cogeneration from sources other than renewable sources shall not be excluded from the applicability of the RPO obligation. NTP 2016 has also provided more clarity on the renewable generation obligation (“**RGO**”) provisions. NTP 2016 specifies that the renewable energy produced by each generator may be bundled with its thermal generation for the purpose of sale. In case an obligated entity procures this renewable power, then the SERCs will consider the obligated entity to have met the RPO to the extent of power bought from such renewable energy generating stations.

Given the focus that the NTP 2016 has on renewable power and competitive tariffs, the States have been mandated to make necessary endeavors to procure power from renewable energy through competitive bidding to keep the tariff low. Further, NTP 2016 states that 35% of the installed capacity can be procured by the state at the SERC determined tariff.

Further to give the much needed impetus to the renewable power sector, it has been suggested in the NTP 2016 that the inter-state transmission charges and losses for renewable power (solar/wind) be levied till certain date, as may be notified by the Government of India. Additionally, on April 27, 2018, the CERC passed the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations (6th Amendment), 2018 thereby waiving the application of transmission charges payable on use of Inter-State Transmission System (ISTS) network for a period of 25 years from the date of the solar project’s commercial operation.

In respect of hydro power projects, NTP 2016 allows the developer of a hydroelectric project (including the pumped storage plant), to have the tariff determined by the appropriate commission for the power to be sold through the long term power purchase agreement on the basis of performance based cost of service regulations, subject to fulfilment of certain conditions specified in NTP 2016.

NTP 2016, *inter alia*, takes into account the following factors in determining the tariff:

- (i) return on investment i.e. rate of return to be notified with a view to generate surplus for growth of the electricity sector;
- (ii) equity norm of 70:30 i.e. a debt: equity ratio of 70:30 to be maintained for financing of future capital cost of projects;
- (iii) depreciation in respect of generation and transmission assets i.e. depreciation to be made applicable for distribution assets for tariff and accounting purpose;
- (iv) cost of debt i.e. debt to be structured with a view to reduce tariff;
- (v) cost of management of foreign exchange risk i.e. the costs incurred on account of hedging and swapping to take care of foreign exchange variations; and
- (vi) operating norms (to be evolved based on the incentives and disincentives along with appropriate arrangement for sharing the gains of efficient operations with the consumers).

NTP 2016 also discusses the implementation of Multi-Year Tariff Framework, this framework is likely to minimize the risks for utilities and consumers, promoter efficiency and appropriate reduction of system losses and attract investments. Multi-Year

Tariff Framework may cover capital investments necessary for renovation and modernization of generation plants (including repowering of wind generating plants).

### **The Ministry of New and Renewable Energy**

The Ministry of New and Renewable Energy (“**MNRE**”), is the nodal ministry of the Government of India at the national level for all matters relating to non-conventional sources of energy and renewable energy. The mandate of MNRE includes research, development, commercialization and deployment of renewable energy systems/devices for various applications in rural, urban, industrial and commercial sector.

MNRE had issued guidelines for development of wind power projects in July 1995 for the first time which were subsequently revised from time to time. Various initiatives taken by the government of India over the last 20 years has resulted in evolving of wind turbine technology from less efficient turbines with low capacity of 225 kW to more efficient turbines with high capacity of 3 MW being manufactured in India.

### **Guidelines for Wind Power Projects**

With the advancements in wind turbine technology and the requirement to comply with various standards and regulations issued by CEA and other regulatory bodies and to address issues related to micrositing, decommissioning and health and safety, MNRE formulated comprehensive Guidelines for Development of Onshore Wind Power Projects in the country which were issued on October 22, 2016 (“**MNRE Guidelines 2016**”). The MNRE Guidelines 2016 have been issued by the MNRE to facilitate the development of wind power projects in an efficient, cost effective and environmentally benign manner and to also take into account the requirements of project developers, state and national imperatives relating to wind power projects.

The MNRE Guidelines 2016, *inter alia*, deal with issues relating to site selection and feasibility and allows a maximum period of four years for the purpose of development of the project in case if the land has been allotted by the State Government, type certification and quality assurance to ensure conformity with design assumptions and other technical standards, micrositing, metering and real time monitoring, online registry and performance reporting of wind turbines, repowering and hybridization.

### **National Institute of Wind Energy**

The National Institute of Wind Energy (“**NIWE**”) is an autonomous research and development institution under the MNRE, Government of India, established to serve as a technical focal point for orderly development of wind power deployment in India. Use of any wind turbine in India is subject to certification from NIWE

### **Indian Renewable Energy Development Agency Limited**

In 1987, MNRE established the Indian Renewable Energy Development Agency Limited (“**IREDA**”), a public limited government company established as a non-banking financial institution to complement the role of MNRE and make finance available to renewable energy projects. IREDA functions under the administrative control of MNRE. IREDA is involved in extending financial assistance and related services to promote the development of renewable energy systems in India.

MNRE's Scheme for Promotion of Grid Interactive Power Generation Projects based on Renewable Energy Technologies provides for grant of subsidy to projects in the following mentioned three sources:

- (i) Wind Power (Wind Energy Generators installed having capacity greater than 500 KW, not more than 1% of technical potential of the state or 6MW, whichever is less and only those states are to be considered eligible where commercial activity has not yet been initiated);
- (ii) Biomass (for the purpose of eligibility under this scheme, biomass will include wastes produced during agricultural and forestry operations (for example straws and stalks) or produced as a by-product of processing operations of agricultural produce (e.g., husks, shells, de-oiled cakes, etc.); wood produced in dedicated energy plantations or recovered from wild bushes/weeds; and the wood waste produced in some industrial operations); and
- (iii) Small Hydro (Hydro power projects with a station capacity up to and including 25.0 MW).

### **Generation Based Incentive Scheme**

To encourage generation from wind energy projects, the MNRE has announced a generation based incentive scheme (“**GBI Scheme**”) for grid connected wind power projects commissioned after December 17, 2009. On December 28, 2013, MNRE issued operational guidelines, which were revised on April 22, 2015 and November 22, 2018, for the extension of the scheme and for continuation of GBI for grid interactive wind power projects and captive wind power projects (to the extent of sale of power to the grid) commissioned on or after April 1, 2012. The GBI Scheme will be applicable for the wind power projects commissioned and registered under the GBI Scheme during the entire 12<sup>th</sup> Plan Period (2012-2017). GBIs under the GBI Scheme are available for the wind power projects selling electricity to the grid and captive wind power projects to the extent of sale of electricity to the grid, but exclude wind power projects that undertake third party sales. Only those wind power projects which sell electricity at the tariff announced by SERCs and/or state governments are eligible for availing benefits under the GBI Scheme. Under the GBI Scheme, GBIs are limited to Indian rupees 0.50 per unit of electricity fed into the grid with an overall cap of Indian rupees 10 million per MW, and are available for a minimum period of four years and a maximum period of 10

years. Under the terms of the GBI Scheme, the total disbursement in a year to eligible wind power producers shall not exceed one-fourth of the maximum limit of the incentive i.e. Indian rupees 2.5 million per MW during the first four years. The objective of the GBI Scheme is to (i) broaden the investor base; (ii) incentivize actual generation with the help of generation/outcome based incentives; and (iii) facilitating entry of large independent power producers and foreign direct investment in the Indian wind power sector.

### **Integrated Power Development Scheme**

The Integrated Power Development Scheme (“**IPD Scheme**”) was launched pursuant to an Office Memorandum of the Ministry of Power, Government of India, dated December 3, 2014, by the Prime Minister of India for urban areas with an attempt to ensure 24/7 power for all. The IPD Scheme has been launched for strengthening of sub-transmission network, metering, IT application, customer care services, provisioning of solar panels and the completion of on-going works of restructured accelerated power development and completion of the reforms programme. The Government of India aims to extend financial assistance against capital expenditure to address gaps in the sub-transmission and distribution network and metering in urban areas to supplement the resources of DISCOMs and power departments through the implementation of the IPD Scheme. The IPD Scheme includes upgradation of the electrical assets at sub-centers, lines and distribution transformers, capacity enhancement, renewal of the old sub-stations and installation of roof-top solar panels in government buildings. The objective of the IPD Scheme is to (i) strengthen sub-transmission and distribution network in the urban areas; (ii) meter distribution transformers/feeders/consumers in urban areas; and (iii) enable IT of the distribution sector and to strengthen the distribution network as per CCEA approval dated June 21, 2013 for the completion of targets laid down under the Restructured Accelerated Power Development and Reforms Programme (“**RAPDRP**”) for 12<sup>th</sup> and 13<sup>th</sup> five year plans by carrying forward the approved outlay for RAPDRP to IPD Scheme. It aims to help in the reduction of AT&C losses, the establishment of IT enabled energy accounting/auditing system, the improvement in billed energy based on metered consumption and the improvement in collection efficiency.

### **Ujjwal Discom Assurance Yojana**

Ujjwal Discom Assurance Yojana (“**UDAY**”) is a scheme formulated by the Ministry of Power, Government of India, vide Office Memorandum dated November 20, 2015. It provides for the financial turnaround and revival of power distribution companies (DISCOMs). The scheme is applicable only to State-owned DISCOMs including combined generation, transmission and distribution undertakings. The State Government, DISCOMs and the Government of India will enter into agreements which shall stipulate responsibilities of the entities towards achieving the operational and financial milestones under the scheme. One of the features of this scheme is that the States shall take over 75% of the debt of the DISCOMs as on September 30, 2015 over a period of 2 years — 50% of the DISCOM debt in 2015-2016 and 25% in 2016-2017 as per the mechanism is provided for in the scheme.

### **Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010**

The CERC notified the Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 (the “**REC Regulations**”) on January 14, 2010 and was most recently amended on March 28, 2016. The REC Regulations aim at the development of market for power from non-conventional energy sources by issuance of transferable and saleable credit certificates. The REC Regulations facilitate fungibility and inter-state transaction of renewable energy with least cost and technicality involved. The CERC has nominated the National Load Dispatch Centre as the central agency to perform the functions, including, *inter alia*, registration of eligible entities, issuance of certificates, maintaining and settling accounts in respect of certificates, acting as repository of transactions in certificates and such other functions incidental to the implementation of REC mechanism as may be assigned by the CERC. The REC mechanism provides a market based instrument which can be traded freely and provides means for fulfilment of renewable purchase obligations by the distribution utilities/consumers.

### **Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017**

CERC has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017 (the “**Tariff Regulations**”) which supersede the regulations issued in 2012. The Tariff Regulations govern the determination of tariff, for a generating station or a unit commissioned during the ‘Control Period’ (being a period of three years specified in the Tariff Regulations starting from the Financial Year 2017-2018). The tariff period under the Tariff Regulations is required to be considered from the date of commercial operations of the renewable energy stations. The Tariff Regulations further lay down the criteria which should be taken into consideration by CERC while determining the tariff for the sale of electricity generated from renewable sources. CERC will determine the generic tariff on the basis of *suo motu* petition at least six months in advance at the beginning of each year of the Control Period. The Tariff Regulations also provide the mechanism for sharing of carbon credits from approved clean development mechanism projects between REPPs and the concerned beneficiaries.

### **Guidelines for tariff based competitive bidding process for procurement of wind and solar power**

The Ministry of Power has issued guidelines dated December 8, 2017 and August 3, 2017 for procurement of wind and solar power, respectively through tariff based competitive bidding process including standardisation of the process and defining of

roles and responsibilities of various stakeholders (the “**Competitive Bidding Guidelines**”). The Competitive Bidding Guidelines aim to enable the distribution licensees to procure wind power at competitive rates in a cost effective manner.

The Competitive Bidding Guidelines are applicable for procurement of (i) wind power from grid-connected wind power projects having (a) individual size of 5 MW and above at one site with minimum bid capacity of 25 MW for intra-state projects, and (b) individual size of 50 MW and above at one site with minimum bid capacity of 50 MW for inter-state projects; and (ii) solar power projects having a size of 5 MW and above.

The Competitive Bidding Guidelines also make provisions for compensation for grid unavailability and backing-down, robust payment security mechanism, standardisation of bidding process, risk-sharing framework between various stakeholders through provisions like change in law, force majeure, and measures in case of default of procurer as also by generator.

### **Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010**

The CERC in terms of the aforementioned regulations have laid down the rules, guidelines and standards to be followed for planning, developing, maintaining and operating the power system, in the most secure, reliable, economic and efficient manner. These regulations have been amended to require the wind power generators to forecast and schedule its power generation on a day ahead basis. The schedule by wind and solar generators which are regional entities may be revised by giving advance notice to the relevant Regional Load Despatch Centre (“RLDC”).

### **Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008**

The Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (“**CERC Open Access Regulations**”) provide for a framework which not only facilitates traditional bilateral transaction (negotiated directly or through electricity traders), but also cater to collective transactions discovered in a power exchange through anonymous, simultaneous competitive bidding by sellers and buyers. Applicable to short term open access transactions up to one month at a time, the emphasis of the CERC Open Access Regulations is on scheduling rather than reservation, to ensure that the request of an open access customer is included in the despatch schedules released by RLDCs. Further, certain types of transmission services by payment of transmission charges (to be levied in Rupees per MWH) shall be available to open access customers based on the type of transactions, i.e. bilateral or collective. In addition to transmission charges, certain operating charges shall also be levied. The CERC Open Access Regulations enable entities connected to inter-state transmission as well as intra-state transmission and distribution system to purchase power from a source other than the incumbent distribution licensee situated outside the relevant State.

### **Central Electricity Regulatory Commission (Planning, Coordination and Development of Economic and Efficient Inter-State Transmission System by Central Transmission Utility and other related matters) Regulations, 2018**

The Central Electricity Regulatory Commission (Planning, Coordination and Development of Economic and Efficient Inter-State Transmission System by Central Transmission Utility and other related matters) Regulations, 2018 (“**CERC Inter-State Transmission System Regulations**”) provide for a framework which lays down the principles and procedures to be followed for planning and development of an efficient system of ISTS to ensure the smooth flow of electricity from generating stations to the load centers. Further, the CERC Inter-State Transmissions System Regulations ensure wider participation of stakeholders in the planning process, specify procedures to ensure transparency in the planning process and demarcate the roles and responsibilities of various organisations in line with the Electricity Act.

### **Renewable Purchase Obligation Framework**

The Electricity Act promotes the development of renewable sources of energy by requiring the relevant electricity regulatory commission to ensure grid connectivity and the sale of electricity generated from renewable sources. In addition, Section 86(1)(e) of the Electricity Act requires the relevant state electricity regulatory commission to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as renewable purchase obligations (“**RPOs**”). Pursuant to this mandate, most of the relevant electricity regulatory commission have specified solar and non-solar RPOs in their respective states. In terms of the RPO regulations, RPOs are required to be met by obligated entities (that is, distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by entering into PPAs with renewable energy power producers or by purchasing renewable energy certificates.

The RPO regulations require the obligated entities to purchase power from renewable energy power producers such as our company. In the event of default by an obligated entity in any fiscal, the relevant electricity regulatory commission may direct the obligated entity to deposit an amount determined by the relevant electricity regulatory commission into a fund to be utilized for, among others, the purchase of renewable energy certificates. Additionally, pursuant to the Electricity Act, a defaulting obligated entity may also be liable to pay penalty as determined by the relevant electricity regulatory commission.

In May 2015, the Supreme Court of India upheld a regulation that made it compulsory for captive power plants and open access consumers to purchase electricity to fulfil their RPOs. This landmark judgment is expected to increase the demand for renewable energy by captive players and also improve the marketability of renewable energy certificates in India.

## **Guidelines for Development of Onshore Wind Power Projects, 2016**

The MNRE first issued guidelines for orderly growth of wind power sector in the country by development of wind power projects in July, 1995. These guidelines were subsequently revised from time to time, including in the year 1996. The MNRE issued guidelines for development of onshore wind power projects on October 22, 2016 (the “**MNRE Guidelines**”) with the objective of facilitating development of wind power projects in an efficient, cost effective and environmentally benign manner taking into account the requirements of the project developers, state and national imperatives. The MNRE guidelines, among others, make provisions for land use permission, type certification and quality assurance, micrositing, metering, real time monitoring and hybridization.

## **Strategic Plan for New and Renewable Energy Sector for the Period 2011-17**

MNRE had prepared this strategic plan for 2011-17 to articulate its goals and the strategy to be adopted by MNRE to further such goals. The key components of the strategic plan of the MNRE are:

- (i) vision, mission and objectives of the MNRE to achieve by the year 2022;
- (ii) specific, measurable, achievable, realistic and time-bound target of installation that comprises both grid based and off-grid renewable energy systems;
- (iii) aspiration of the MNRE and aligning them with strategic areas such as research and development, human resource development, financing and marketing channels for renewables; and
- (iv) an implementation plan for the targets and monitoring and measuring process of its success.

According to the strategic plan, MNRE’s vision was “to upscale and mainstream the use of new and renewable energy sources in furtherance of the national aim of energy security and energy independence, with attendant positive impact on local, national and global environment” with substantial focus on wind power projects.

## **Policy for Repowering of the Wind Power Projects**

MNRE issued the policy for repowering of the wind projects (“**Repowering Policy**”) on August 5, 2016 with an objective of promoting optimum utilisation of wind energy resources by creating facilitative framework for repowering. As the wind-turbines installed up to the year 2000 are of capacity below 500 kW and have better potential, thus in order to optimally utilise the wind energy resources the Repowering Policy was brought in 2016.

## **The Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009**

The CERC notified the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations on July 7, 2009 to provide for procedures and requirements for obtaining connectivity, long-term access and medium-term open access in respect of inter-state transmission system. The nodal agency for seeking connectivity, medium term open access or long term access would be the Central Transmission Utility.

## **Environmental Laws**

### ***The Environment Protection Act, 1986 (the “Environment Act”)***

The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and on. The Government may make rules for regulating environmental pollution.

### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the “Hazardous Waste Rules”)***

The Hazardous Waste Rules are to be read with the Environment Act. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Furthermore, in terms of the Hazardous Waste Rules, the occupier has been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require license/authorization for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the State Pollution Control Board.

### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) and Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each

State. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power to carry out 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.

In exercise of the powers conferred by Section 63 of the Water Act, the Central Government, after consultation with the Central Pollution Control Board for the Prevention and Control of Water Pollution has formulated the Water (Prevention and Control of Pollution) Rules, 1975. Further, the State Governments in consultation with respective state pollution control boards have formulated rules to prevent and control air and water pollution in terms of the power granted to them under the applicable provisions of the Water Act and the Air Act.

## Other Regulations

### *Kyoto Protocol*

The Kyoto protocol (“**Kyoto Protocol**”) is a protocol to the United Nations Framework Convention on Climate Change (“**UNFCCC**”) with the objective of reducing Green House Gas (“**GHG**”) emissions that cause global warming. The Kyoto Protocol specifies legally binding targets and timetables for reducing the GHG emissions of industrialized countries that ratified the Kyoto Protocol. Countries have been classified into industrialized countries (who have GHG emission reduction obligations), developed countries (which pay for costs of developing countries) and developing countries.

The clean development mechanism (“**CDM**”), as defined in article 12 of the Kyoto Protocol, allows a country with an emission-reduction obligation under the Kyoto Protocol to implement emission-reduction projects in developing countries. Such projects are eligible to earn saleable certified emission reduction units (“**CERs**”), each equivalent to one tonne of CO<sub>2</sub>, which can be traded, sold, and used by industrialized countries towards meeting their Kyoto Protocol targets. The price of CERs is negotiated between buyers and sellers.

Pursuant to the ratification of and accession to the Kyoto Protocol, the Government of India has established the National Clean Development Mechanism Authority, (“**NCDMA**”) which is the designated national authority in India for evaluating and approving projects in accordance with host country guidelines as well as the guidelines issued by the executive board and the conference of parties serving as meeting of parties to the UNFCCC. The NCDMA may also stipulate additional requirements to ensure that project proposals meet the national sustainable development priorities and to ensure that the projects are compatible with the local priorities and stakeholders have been duly consulted. Once a proposal has been approved by NCDMA, an accredited third party institution, which is a designated operational entity, validates the project and submits the proposal to the Executive Board of the UNFCCC (“**EB**”) for CDM registration of such projects. Upon monitoring and verification of the project activities undertaken under a CDM registered project, the EB will proceed to issue CERs in relation to such projects.

The first commitment period under the Kyoto Protocol came to an end on December 31, 2012. The second commitment period under the Kyoto Protocol (the “**Second Commitment Period**”) will run from January 1, 2013 to December 31, 2020 (both dates inclusive). The obligations in relation to the reduction in GHG emissions under the Second Commitment Period are subject to acceptance by parties to the Kyoto Protocol.

## Industrial and Labour Laws

### *The Factories Act, 1948*

The Factories Act, 1948 (the “**Factories Act**”) defines a factory to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power, and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The occupier and the manager of a factory may be punished with imprisonment for a term up to two years or with a fine up to ₹ 100,000 or with both in case of contravention of any provisions of the Factories Act or rules framed there under and in case of a contravention continuing after conviction, with a fine of up to ₹1,000 per day of contravention.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

The following is an indicative list of labour laws applicable on the employment of construction workers for our Company’s business:

- Industrial Employment (Standing Orders) Act, 1946;

- Employees' Provident Funds Scheme, 1952 read with Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' State Insurance (General) Regulations, 1950 read with Employees' State Insurance Act, 1948;
- Employees' Compensation Act, 1923;
- Industrial Disputes Act, 1947;
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936; and
- Workmen's Compensation Act, 1923.

## **Intellectual Property Laws**

### ***The Trademarks Act, 1999***

The Trademarks Act, 1999 (the “**Trademarks Act**”) provides for the process for making an application and obtaining 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. The Trademarks Act is supplemented by the Trademarks Rules, 2017.

### ***The Designs Act, 2000***

The Designs Act, 2000 (the “**Designs Act**”) provides for registration and protection of industrial designs in India. The purpose of the Designs Act is to industrial design recognizes the creation new and original features of new shape, configuration, surface pattern, ornamentations and composition of lines or colours applied to articles which in the finished state appeal to and are judged solely by the eye. The Designs Act is supplemented by the Designs Rules, 2001.

## **Regulations regarding Foreign Investments**

Under the current consolidated FDI Policy, notified by the DPIIT under D/o IPP F.No. 5(1)/2017-FC-1 dated the August 28, 2017, as amended (the “**Consolidated FDI Policy**”), foreign direct investment of up to 100% through the automatic route is permitted in activities pertaining to generation of electrical power by renewable energy sources. For additional details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 279.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief History of our Company

Our Company was incorporated as Consolidated Power Systems Private Limited, a private limited company under the Companies Act, 1956, pursuant to certificate of incorporation dated May 4, 1984 issued by the RoC. Subsequently, the business of Hindustan Industrial & Electrical Engineers, a partnership firm constituted amongst Naresh Chander Oberoi, Kharatiram Kharak Puri and Mitter Sen was assigned to our Company pursuant to an agreement to assign dated May 23, 1984 with effect from June 1, 1984. Our Company became a deemed public limited company under Section 43(A) (1A) of the Companies Act, 1956, and the word “private” was struck off from the name of our Company with effect from June 15, 1988 pursuant to a resolution passed by our Board on July 15, 1988. Subsequently, the name of our Company was changed to Powerica Limited in order to identify with the group, pursuant to a resolution passed by our shareholders in an EGM held on September 16, 1989 and a fresh certificate of incorporation, dated October 5, 1989 consequent to such change of name was issued by the RoC.

### Changes in our registered office

The details of changes in our registered office are set forth below.

Date of change	Details of the address of registered office	Reason
March 1, 2009	Change in registered office from 115B, Mittal Court, Nariman Point, Mumbai 400 021 to 74, A Wing, Mittal Court, Nariman Point, Mumbai 400 021	Administrative reasons
October 15, 2012	Change in registered office from 74, A Wing, Mittal Court, Nariman Point, Mumbai 400 021 to 9th Floor, Bakhtawar, Nariman Point, Mumbai 400 021	Administrative reasons

### Major events of our Company

Some of the key events in the history of our Company are set forth below:

Calendar Year	Event
1984	Commenced power generation set business in India
1986	Setting up an in-house control panel manufacturing facility dedicated to our diesel generator sets
1996	Alliance with MAN for HFO generator and commenced HFO generator set business in India
1998	Setting up an acoustic enclosure facility with annual capacity of 1,000 gensets at Taloja
2004	Entered into the GOEM agreement with Cummins India
2005	Entered into an exclusive dealership agreement with MAN
2007	SCP II subscribed to certain shares of our Company by way of private placement and SCP III purchased certain equity shares of our Company from Naresh Chander Oberoi
2008	Commenced wind power business in India
2010	Entered into a memorandum of understanding with Vestas for joint development of wind farms
2014	Installed first wind power project as a developer jointly with Vestas
2015	Installed first wind power project as complete BoP solution at its own developed wind farm
2016	Joint venture agreement with Vestas for 750 MW
2017	Completed execution of 92 MW wind power project as developer over four years.
2017	Won 50 MW bid for wind power project in Gujarat
2019	Commissioned a 50.6 MW wind power project in Bhatel, Gujarat

### Awards, Accreditations and Recognitions

Key awards, accreditations and recognitions received by our Company are set forth below.

Calendar Year	Awards, Accreditations and Recognitions
2005	Received “Star Performer Silver Shield 2004-05 (Medium Enterprises)” from EEPC India, Western Region
2007	Ranked 118 in the ‘Businessworld Best Mid Size Companies List (July 16, 2007 issue)’ by Businessworld Intelligence
2011	Received T.B. Chhikoba Award for second “Best Wind Farm” above 2 MW category in Tamil Nadu from Indian Wind Power Association
2017	Received RE Assets India 2017 Award for achievements and contributions in constructing, operating and managing world class renewable energy assets in India
2019	Received “Prestigious Rising Brands of India 2018-19” for the diesel generator and renewable energy category from Process Evaluators & Research – BARC Asia & Jury Panel

### Significant financial and strategic partners

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

### Time and cost overruns

There have been no time and cost overruns in the development or construction of any of our projects.

## **Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity**

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders.

## **Material Acquisitions or Divestments of Business/Undertakings, Mergers, Amalgamations or Revaluation of Assets, in the last ten years**

Except as detailed below, our Company has not undertaken any material acquisitions or divestments of business/undertakings, mergers, amalgamations or revaluation of assets in the last ten years:

*Scheme of amalgamation between Quadrant Engineers Limited (“Quadrant”) and our Company.*

Pursuant to order dated December 2, 2016 of the High Court of Judicature at Mumbai, the scheme of amalgamation of Quadrant with our Company was approved, in terms of which, the entire business and all the properties, but not limited to, assets, capital work-in-progress, current assets, investment, powers, authorities, allotments, approvals and consents, licenses, registration, contracts, engagements, arrangements, rights, privileges, easements, interest, benefits of, *inter alia*, assets and advantages or whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control or vested in or granted in favour of or enjoyed by Quadrant, were transferred to and vested with our Company. Upon such scheme of amalgamation becoming effective, Quadrant being the wholly owned subsidiary of our Company, no new shares were required to be issued to the members of Quadrant by our Company and no reorganization of the Share Capital in our Company was required. Consequently, Quadrant stood dissolved without any further action in relation to being wound up.

## **Main Objects of our Company**

The main objects contained in the Memorandum of Association are set forth below.

1. “To acquire and purchase from the parties concerned and interested therein and to take over and work upon such terms the business of manufacturing Diesel Engines and accessories thereof now being carried on under the firm name and style of MESSRS HINDUSTAN INDUSTRIAL AND ELECTRICAL ENGINEERS together with the firm’s name, goodwill and other rights and all or any of the assets and all or any liabilities of the said business and to pay therefore in cash or share of the Company or partly in one or partly in the other and with the objects aforesaid to adopt to enter into and to effect all such deeds and instruments as may be necessary or may be deemed advisable or proper pursuant to an agreement to be entered into and on take over the firm shall stand dissolved.”
2. “To carry on the business of manufacturers, buyers, sellers, exporters, importers, distributors, suppliers and dealers in all types of generating sets, diesel, hydraulic or any other kind and types of generating sets and in all types of electrical and power driven plant and machinery, industrial plant and equipment, electrical transformers, engines, pumps, motors, control instrumentation, checking instruments, internal combustion engines including oil and petrol engines, gas turbines, steam turbines, thermal equipment, electric devices and spare parts.”
3. “To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deal in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishment of hydraulic power plants, wind power plants, solar power and other power plants based on any source of energy as may be developed or invented in future and to undertake manufacture of the equipments, components, ancillaries and auxiliaries to the equipments required for the generation & distribution of power from any of the power plants referred to above.”
4. “To construct, laydown, establish promote, erect, build install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution, and supply of electricity to participating industries, State Electricity Boards and other Boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.”
5. “To acquire, concessions, facilities or licenses from Electricity Boards, government, semi-government or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of the foregoing objects.”

The main objects as contained in our Memorandum of Association enable our Company to carry on business presently being carried out.

## Amendments to our Memorandum of Association in the last ten years

Date of Shareholders' Resolution	Nature of Amendment
July 30, 2010	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 100,000,000 divided into 10,000,000 equity shares of ₹ 10 each to ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each.
February 10, 2011	Clause V of our Memorandum of Association was amended to reflect sub-division in the authorised share capital, such that 20,000,000 equity shares of ₹ 10 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,000,000.
August 30, 2011	Clause III A (3) of our Memorandum of Association was amended by deletion of words 'atomic power plants' from sub-clause 3 of the main objects of our Company.
May 31, 2018	Clause V of our Memorandum of Association was amended to reflect sub-division in the authorised share capital, such that 100,000,000 Equity Shares of ₹ 2 each aggregating to ₹ 200,000,000 were sub-divided and reclassified as 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000.
May 31, 2018	Clause V of our Memorandum of Association was amended to reflect consolidation in the authorised share capital, such that 200,000,000 Equity Shares of ₹ 1 each aggregating to ₹ 200,000,000 were consolidated and reclassified as 40,000,000 Equity Shares of ₹ 5 each aggregating to ₹ 200,000,000.
May 31, 2018	Clause V of our Memorandum of Association was amended to reflect increase in the authorised share capital of our Company from ₹ 200,000,000 divided into 40,000,000 Equity Shares of ₹ 5 each to ₹ 250,000,000 divided into 50,000,000 Equity Shares of ₹ 5 each.

## Our holding company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

## Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has six Subsidiaries, as set forth below:

### A. Nandurpathar Windfarm Limited

#### Corporate Information

Nandurpathar Windfarm Limited ("Nandurpathur") was incorporated on March 31, 2015 under the Companies Act, 2013 at Mumbai, Maharashtra. Nandurpathar is involved in the business of, *inter alia*, infrastructure development for Nandurpathar Project located in Ahmednagar, and infrastructure development and services for wind power, solar power, renewable and green energy projects.

#### Capital Structure

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Nandurpathar are as set forth below.

Particulars	No. of equity shares bearing face value of ₹ 10 each
Authorised share capital	10,000,000
Issued, subscribed and paid-up share capital	2,200,000

#### Shareholding of our Company

As on the date of this Draft Red Herring Prospectus, our Company holds 2,200,000 equity shares of face value ₹ 10 each (including six nominee shareholders) of Nandurpathur aggregating to 100% of the equity share capital of Nandurpathur.

### B. Paramount Windfarms Private Limited

#### Corporate Information

Paramount Windfarms Private Limited ("Paramount") was incorporated on November 17, 2015 under the Companies Act, 2013 at Mumbai, Maharashtra. Paramount is involved in the business of, *inter alia*, infrastructure development and services for wind power, solar power, renewable and green energy projects, power supply works or any other structural work.

#### Capital Structure

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Paramount are as set forth below.

Particulars	No. of equity shares bearing face value of ₹ 10 each
Authorised share capital	1,000,000
Issued, subscribed and paid-up share capital	998,258

#### *Shareholding of our Company*

As on the date of this Draft Red Herring Prospectus, our Company holds 998,258 equity shares of face value ₹ 10 each (including two nominee shareholders) of Paramount aggregating to 100% of the equity share capital of Paramount.

#### **C. Vartaman Wind Energy Private Limited**

##### *Corporate Information*

Vartaman Wind Energy Private Limited (“**Vartaman**”) was incorporated on October 29, 2013 under the Companies Act, 1956 at Rajkot, Gujarat. Vartaman is involved in the business of, *inter alia*, providing services related to land for wind energy and wind equipment, to carry on the business as generators, manufacturers, importers, exporters, buyers and sellers of and dealers of wind energy and acting as agents in non-conventional energy resources.

##### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Vartaman are as set forth below.

<b>Particulars</b>	<b>No. of equity shares bearing face value of ₹ 10 each</b>
Authorised share capital	250,000
Issued, subscribed and paid-up share capital	250,000

#### *Shareholding of our Company*

As on the date of this Draft Red Herring Prospectus, our Company holds 250,000 equity shares of face value ₹ 10 each (including one nominee shareholder) of Vartaman aggregating to 100% of the equity share capital of Vartaman.

#### **D. Soverign Windfarms Private Limited**

##### *Corporate Information*

Soverign Windfarms Private Limited (“**Soverign**”) was incorporated on June 1, 2017 under the Companies Act, 2013 at Mumbai, Maharashtra. Soverign is involved in the business of, *inter alia*, infrastructure development for wind power, solar power, renewable and green energy projects, power supply works or any other structural works.

##### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Soverign are as set forth below.

<b>Particulars</b>	<b>No. of equity shares bearing face value of ₹ 10 each</b>
Authorised share capital	10,000
Issued, subscribed and paid-up share capital	10,000

#### *Shareholding of our Company*

As on the date of this Draft Red Herring Prospectus, our Company holds 10,000 equity shares of face value ₹ 10 each (including one nominee shareholder) of Soverign aggregating to 100% of the equity share capital of Soverign.

#### **E. Gooty Windfarms Private Limited**

##### *Corporate Information*

Gooty Windfarms Private Limited (“**Gooty**”) was incorporated on November 7, 2017 under the Companies Act, 2013 at Mumbai, Maharashtra. Gooty is involved in the business of, *inter alia*, infrastructure development for wind power, solar power, renewable and green energy projects, power supply works or any other structural works.

##### *Capital Structure*

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Gooty are as set forth below.

<b>Particulars</b>	<b>No. of equity shares bearing face value of ₹ 10 each</b>
Authorised share capital	10,000
Issued, subscribed and paid-up share capital	10,000

#### *Shareholding of our Company*

As on the date of this Draft Red Herring Prospectus, our Company holds 10,000 equity shares of face value ₹ 10 each (including one nominee shareholder) of Gooty aggregating to 100% of the equity share capital of Gooty.

## **F. Vespower Windfarm Private Limited**

### **Corporate Information**

Vespower Windfarm Private Limited (“**Vespower**”) was incorporated on August 7, 2017 under the Companies Act, 2013 at Mumbai, Maharashtra. Vespower is involved in the business of, *inter alia*, infrastructure development for wind power, solar power, renewable and green energy projects, power supply works or any other structural works.

### **Capital Structure**

As on the date of this Draft Red Herring Prospectus, details of the capital structure of Vespower are as set forth below.

<b>Particulars</b>	<b>No. of equity shares bearing face value of ₹ 10 each</b>
Authorised share capital	10,000
Issued, subscribed and paid-up share capital	10,000

### **Shareholding of our Company**

As on the date of this Draft Red Herring Prospectus, our Company holds 10,000 equity shares of face value ₹ 10 each (including two nominee shareholders) of Vespower aggregating to 100% of the equity share capital of Vespower.

### **Accumulated Profits or Losses of our Subsidiaries**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries, not accounted for, by our Company.

### **Common Pursuits**

Except as disclosed in this section and in “*Our Business*” beginning on page 95, none of our Subsidiaries are engaged in activities similar to those undertaken by our Company.

### **Interest of our Subsidiaries in our Company**

Except as disclosed in “*Financial Statements – Annexure 38*” beginning on page 204, our Subsidiaries do not have any other interest in our Company’s business.

### **Other Confirmations**

Except Nandurpathar, Paramount and Vartaman, none of our Subsidiaries have made any rights issue in the three immediately preceding years. The equity shares of our Subsidiaries are not listed on any stock exchange, nor have our Subsidiaries been refused listing on any stock exchange, in India or abroad.

For details of related party transactions entered into by our Company with our Subsidiaries in terms of Ind AS 24 during the Financial Year 2018, including the nature and cumulative value of such related party transactions, see “*Financial Statements – Annexure 38*” beginning on page 204.

### **Details of our Associate**

Our Company also has 50% shareholding in our associate company, Airpower Windfarms Private Limited. For further details, see “*Our Group Companies*” beginning on page 142.

### **Summary of Key Agreements**

#### **Shareholders’ Agreements**

**Share Subscription cum Shareholders’ Agreement dated September 25, 2007, (the “SSHA”) between our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana**

Pursuant to the SSHA, our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi (then known as Renu Mehra), T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana had mutually agreed to the terms and conditions with respect to the issue of 458,857 equity shares of ₹ 10 each, at a price of ₹ 3,268.99 per equity share bearing a face value of ₹ 10 each, aggregating to an amount of ₹ 1,499.99 million on a preferential basis to SCP II, and recorded their mutual rights and obligations as shareholders of our Company. The SSHA, amongst other things, provides that:

- (i) the parties to the SSHA have a pre-emptive right in relation to any further issue of Equity Shares. Additionally, SCP II and SCP III have tag along rights;

- (ii) the Board shall comprise a maximum of 12 Directors, and SCP II and SCP III jointly have the right to appoint one Director on the Board, provided that such Director is not in a position of conflict of interest with our Company. Further, SCP II and SCP III jointly have the option to nominate such Director or any alternate Director thereto on any committee/sub-committee formed by the Board;
- (iii) SCP II and SCP III jointly have affirmative voting rights pertaining to certain reserved matters of our Company and our Subsidiaries;
- (iv) Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana may not create any encumbrance on any of the Equity Shares held respectively by any of them, without the prior consent of SCP II and SCP III; and
- (v) Naresh Chander Oberoi, Naresh Chander Oberoi HUF, Rajat Oberoi (deceased) and Bharat Naresh Oberoi have a right of first refusal.

The SSHA further includes various customary clauses including representations and warranties, non-compete, non-disposal undertakings by Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana, indemnity, dispute resolution and confidentiality.

***Deed of adherence, dated March 20, 2017 entered into pursuant to the SSHA and pursuant to addendum dated February 25, 2008, amendment agreement dated February 28, 2011 and second amendment agreement dated March 8, 2019***

Pursuant to addendum dated February 25, 2008, to the SSHA (the “**Addendum**”), the dates for compliance of two conditions subsequent stipulated under the SSHA were extended, and further, pursuant to amendment agreement, dated February 28, 2011, to the SSHA (the “**Amendment Agreement**”), certain amendments were made to the SSHA towards recording certain arrangements as revised towards the completion of an initial public offering by our Company.

Further, pursuant to deed of adherence dated March 20, 2017 (“**Deed of Adherence**”) entered into in terms of the SSHA between our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Renu Naresh Oberoi, T.B. Nedungadi, Bharat Naresh Oberoi, Sunil Kumar Khurana and Marina West and a subsequent addendum dated April 30, 2017, Marina West acquired 2,730,530 Equity Shares from SCP II and 910,175 Equity Shares from SCP III. Marina West further agreed to assume the rights and obligations of SCP II and SCP III under the SSHA, to the effect of becoming a party to the SSHA.

The parties to the SSHA, entered into the second amendment agreement on March 8, 2019, (“**Second Amendment Agreement**”). In terms of the SSHA as amended by the Amendment Agreement and the Second Amendment Agreement, all rights under the SSHA shall cease to be binding upon the completion of an initial public offering by our Company, subsequent to which the only right to survive shall be the right of SCP II, SCP III and Marina West, or any of their affiliates, to jointly appoint a Director on our Board, who is not in a position of conflict of interest with the Company, until they or any of their affiliates individually or jointly hold at least 2.5% of the fully diluted Equity Share capital of our Company, subject to the approval of the members of our Company through a special resolution passed at the first general meeting of our Company held post completion of the Offer.

#### **Guarantees**

None of the Promoter Selling Shareholders have given any guarantees to any third parties.

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises 12 Directors, including six independent Directors, four executive Directors (of which one is a woman Director), two non-executive non-independent Directors (of which one is a nominee Director) and one alternate director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
1.	<p><b>Naresh Chander Oberoi</b></p> <p><b>Designation:</b> Chairman and Managing Director</p> <p><b>Term:</b> Appointed as Chairman and Managing Director with effect from April 1, 2016, for a term of five years up to March 31, 2021</p> <p><b>Period of Directorship:</b> Director since May 4, 1984</p> <p><b>Address:</b> 181-B, Jolly Maker Tower Apartments No. 1, 18th Floor, Cuffe Parade, Colaba, Mumbai 400 005</p> <p><b>Occupation:</b> Entrepreneur</p> <p><b>Date of Birth:</b> March 3, 1942</p> <p><b>DIN:</b> 00009000</p> <p><b>Age:</b> 77</p>	<ul style="list-style-type: none"> <li>• Nandurpathar Windfarm Limited; and</li> <li>• Powerica Sales and Services Private Limited; and</li> <li>• Everest Industrial Gases Private Limited.</li> </ul>
2.	<p><b>Bharat Naresh Oberoi</b></p> <p><b>Designation:</b> Joint Managing Director</p> <p><b>Term:</b> Appointed as Joint Managing Director with effect from April 1, 2016 for a term of five years up to March 31, 2021</p> <p><b>Period of Directorship:</b> Director since November 1, 2003</p> <p><b>Address:</b> 31-B, Maker Tower, Cuffe Parade, Mumbai 400 005</p> <p><b>Occupation:</b> Business</p> <p><b>Date of Birth:</b> February 22, 1971</p> <p><b>DIN:</b> 00083664</p> <p><b>Age:</b> 48</p>	<ul style="list-style-type: none"> <li>• Nandurpathar Windfarm Limited;</li> <li>• Powerica Sales and Services Private Limited; and</li> <li>• Vartaman Wind Energy Private Limited.</li> </ul>
3.	<p><b>Kharatiram Kharak Puri</b></p> <p><b>Designation:</b> Non-Executive Non-Independent Director</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Period of Directorship:</b> Director since January 1, 1993</p> <p><b>Address:</b> 50, Sunita, Cuffe Parade, Colaba, Mumbai 400 005</p> <p><b>Occupation:</b> Entrepreneur</p> <p><b>Date of Birth:</b> April 10, 1926</p> <p><b>DIN:</b> 00015011</p> <p><b>Age:</b> 92</p>	<ul style="list-style-type: none"> <li>• ASA Electro Power Systems Private Limited; and</li> <li>• All India Business Council.</li> </ul>
4.	<p><b>Renu Naresh Oberoi</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Term:</b> Appointed as a Whole Time Director with effect from March 20, 2017 for a</p>	<ul style="list-style-type: none"> <li>• Everest Industrial Gases Private Limited; and</li> </ul>

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
	<p>term of five years up to March 19, 2022.</p> <p><b>Period of Directorship:</b> Director since March 20, 2017</p> <p><b>Address:</b> 181-B, Jolly Maker Apartment 1, Cuffe Parade, Mumbai 400 005</p> <p><b>Occupation:</b> Service</p> <p><b>Date of Birth:</b> December 20, 1973</p> <p><b>DIN:</b> 00114588</p> <p><b>Age:</b> 45</p>	<ul style="list-style-type: none"> <li>Powerica Sales and Services Private Limited.</li> </ul>
5.	<p><b>Pradeep Gupta</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Term:</b> Appointed as a Whole Time Director with effect from September 2, 2016 for a term of five years up to September 1, 2021.</p> <p><b>Period of Directorship:</b> Director since September 2, 2016</p> <p><b>Address:</b> Flat No. 64, Building No. 3A, Kalpataru Estate, JV Link Road, Andheri East, Mumbai 400 093</p> <p><b>Occupation:</b> Service</p> <p><b>Date of Birth:</b> October 4, 1969</p> <p><b>DIN:</b> 00013424</p> <p><b>Age:</b> 49</p>	<ul style="list-style-type: none"> <li>Airpower Windfarms Private Limited;</li> <li>Art-Yarn Exports (India) Private Limited;</li> <li>AWT Energy Private Limited;</li> <li>Gooty Windfarms Private Limited;</li> <li>Nandurpathar Windfarm Limited;</li> <li>Paramount Windfarms Private Limited;</li> <li>Soverign Windfarms Private Limited;</li> <li>Vespower Windfarm Private Limited; and</li> <li>Vartaman Wind Energy Private Limited.</li> </ul>
6.	<p><b>Udai Dhawan</b></p> <p><b>Designation:</b> Nominee Director</p> <p><b>Term:</b> Appointed as Nominee Director with effect from March 20, 2017</p> <p><b>Period of Directorship:</b> Director since February 20, 2014</p> <p><b>Address:</b> 46, Second Floor, Poorvi Marg, Vasant Vihar, New Delhi 110 057</p> <p><b>Occupation:</b> Service</p> <p><b>Date of Birth:</b> January 17, 1973</p> <p><b>DIN:</b> 03048040</p> <p><b>Age:</b> 46</p>	<ul style="list-style-type: none"> <li>Craftsman Automation Limited;</li> <li>Ocean Sparkle Limited;</li> <li>Prime Focus Limited;</li> <li>Redington (India) Limited;</li> <li>Standard Chartered Private Equity Advisory (India) Private Limited;</li> <li>Tek Travels Private Limited; and</li> <li>Affirma Capital Investment Adviser Private Limited.</li> </ul>
7.	<p><b>Ghanshyam Dass</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director with effect from June 14, 2014 for a term of five years up to March 31, 2019</p> <p><b>Period of Directorship:</b> Director since February 10, 2011</p> <p><b>Address:</b> 31A Sobha Emerald, Sobha Suburb 1A, Behind Jakkur Flying Club, Jakkur, Bangalore 560 064</p> <p><b>Occupation:</b> Professional</p> <p><b>Date of Birth:</b> July 11, 1952</p> <p><b>DIN:</b> 01807011</p>	<ul style="list-style-type: none"> <li>Jain Farm Fresh Foods Limited;</li> <li>Jain Irrigation Systems Limited;</li> <li>Mayar Health Resorts Limited; and</li> <li>Mayar Infrastructure Development Private Limited.</li> </ul>

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
	<b>Age:</b> 66	
8.	<p><b>Dinesh Kumar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director with effect from June 14, 2014 for a term of five years up to March 31, 2019</p> <p><b>Period of Directorship:</b> Director since June 25, 2009</p> <p><b>Address:</b> 21A, 17<sup>th</sup> Cross, Malleswaram, Bangalore 560 055</p> <p><b>Occupation:</b> Service</p> <p><b>Date of Birth:</b> December 2, 1937</p> <p><b>DIN:</b> 01133565</p> <p><b>Age:</b> 81</p>	Nil
9.	<p><b>Krishen Dev</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director with effect from June 14, 2014 for a term of five years up to March 31, 2019</p> <p><b>Period of Directorship:</b> Director since February 10, 2011</p> <p><b>Address:</b> Plot No. 16, Pallod Farms – II, Baner, Pune 411 045</p> <p><b>Occupation:</b> Professional</p> <p><b>Date of Birth:</b> March 3, 1939</p> <p><b>DIN:</b> 00001534</p> <p><b>Age:</b> 80</p>	Nil
10.	<p><b>Prakash Yashwant Gurav</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director with effect from June 14, 2014 for a term of five years up to March 31, 2019</p> <p><b>Period of Directorship:</b> Director since May 28, 2012</p> <p><b>Address:</b> Flat 9/10, Mrutunjaya Apartments, 54, Ideal Colony, Kothrud, Pune 411 029</p> <p><b>Occupation:</b> Professional</p> <p><b>Date of Birth:</b> December 28, 1953</p> <p><b>DIN:</b> 02004317</p> <p><b>Age:</b> 65</p>	<ul style="list-style-type: none"> <li>• Commercial Engineers and Body Builders Company Limited;</li> <li>• Tide Water Oil Co (India) Limited;</li> <li>• Kolte-Patil Developers Limited; and</li> <li>• Kolte-Patil I-Ven Townships (Pune) Limited.</li> </ul>
11.	<p><b>Maheswar Sahu</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director with effect from May 24, 2018 for a term of five years up to May 23, 2023.</p> <p><b>Period of Directorship:</b> Director since May 24, 2018</p> <p><b>Address:</b> A302, Paarijat Residency, Judges Bungalow, Bodakdev, Ahmedabad 380054</p>	<ul style="list-style-type: none"> <li>• Adani Gas Limited</li> <li>• Aspire Disruptive Skill Foundation</li> <li>• Auraglass Private Limited</li> <li>• Gift SEZ Limited;</li> <li>• Gold Plus Glass Industry Limited;</li> </ul>

S. No.	Name, DIN, designation, term/period of directorship, address, occupation, date of birth and age	Other Directorships
	<b>Occupation:</b> Service <b>Date of Birth:</b> January 10, 1954 <b>DIN:</b> 00034051 <b>Age:</b> 65	<ul style="list-style-type: none"> <li>• GSEC Limited;</li> <li>• GVFL Limited;</li> <li>• Heubach Colour Private Limited;</li> <li>• IRM Energy Private Limited;</li> <li>• Mahindra World City (Jaipur) Limited;</li> <li>• Mangalam Alloys Limited;</li> <li>• National Aluminium Company Limited;</li> <li>• SME Mavens Foundation;</li> <li>• Solvay Specialities India Private Limited; and</li> <li>• Yes Bank Limited.</li> </ul>
12.	<b>Shailesh Shankerlal Vaidya</b> <b>Designation:</b> Independent Director <b>Term:</b> Appointed as Independent Director with effect from May 24, 2018 for a term of five years up to May 23, 2023. <b>Period of Directorship:</b> Director since May 24, 2018 <b>Address:</b> 801, Sumer Heights, 8th Floor, Opposite Bhavans College, K.M. Munshi Marg, Mumbai 400 007 <b>Occupation:</b> Advocate and Solicitor <b>Date of Birth:</b> November 3, 1957 <b>DIN:</b> 00002273 <b>Age:</b> 61	<ul style="list-style-type: none"> <li>• Apcotex Industries Limited;</li> <li>• Bombay Incorporated Law Society</li> <li>• Excel Industries Limited;</li> <li>• IMC International ADR Centre;</li> <li>• Prabhukripa Overseas Limited; and</li> <li>• Siyaram Silk Mills Limited.</li> </ul>
13.	<b>Vibhav Parikh</b> <b>Designation:</b> Alternate Director to Udai Dhawan <b>Term:</b> Appointed as Alternate Director with effect from March 20, 2017 during the absence of Udai Dhawan from India. He shall vacate the office as and when Udai Dhawan, Nominee Director returns to India. <b>Period of Directorship:</b> Director since March 20, 2017 <b>Address:</b> 15-D, Shanaz, 90, Nepean Sea Road, Mumbai 400 006 <b>Occupation:</b> Investment Professional <b>Date of Birth:</b> February 7, 1979 <b>DIN:</b> 00848207 <b>Age:</b> 40	<ul style="list-style-type: none"> <li>• Prime Focus Technologies Limited.</li> </ul>

#### Relationship between our Directors and our Directors and Key Managerial Personnel

Except as disclosed below, none of our Directors are related to each other or to any of the Key Managerial Personnel:

Sr. No.	Name of Director	Related to	Nature of Relationship
1.	Naresh Chander Oberoi	Bharat Naresh Oberoi	Son
		Renu Naresh Oberoi	Daughter
		Kharatiram Kharak Puri	Brother-in-law

Sr. No.	Name of Director	Related to	Nature of Relationship
2.	Bharat Naresh Oberoi	Naresh Chander Oberoi	Father
		Renu Naresh Oberoi	Sister
		Kharatiram Kharak Puri	Uncle
3.	Kharatiram Kharak Puri	Naresh Chander Oberoi	Brother-in-law
		Bharat Naresh Oberoi	Nephew
		Renu Naresh Oberoi	Niece
4.	Renu Naresh Oberoi	Naresh Chander Oberoi	Father
		Bharat Naresh Oberoi	Brother
		Kharatiram Kharak Puri	Uncle

### Brief Biographies of Directors

**Naresh Chander Oberoi** is the Chairman and Managing Director of our Company. He is one of our Promoters, and has been associated with our Company since its incorporation. He was last re-appointed as our Chairman and Managing Director with effect from April 1, 2016. He does not have any educational qualifications. He has over 38 years of experience in the power generating set industry. He continues to be associated with our Company and with PSSPL as a shareholder and a director.

**Bharat Naresh Oberoi** is the Joint Managing Director of our Company. He is one of our Promoters, and has been associated with our Company since 1994. He was first appointed as the Joint Managing Director with effect from November 1, 2003 and was last re-appointed on April 1, 2016. He has completed eleventh standard from G.D. Somani International School, Mumbai. He has over 22 years of experience in marketing in the power generating set industry. Prior to joining our Company, he was associated with PSSPL as a director, and continues to be a director on its board of directors.

**Kharatiram Kharak Puri** is a Non-Executive Non-Independent Director of our Company. He is one of our Promoters, and has been associated with our Company since its incorporation. His designation was changed from Whole-Time Director to Non-Executive Director of our Company with effect from November 1, 2013. He does not have any educational qualifications. He has over 38 years of experience in the power generating set industry. Prior to joining our Company, he was associated with PSSPL as a promoter.

**Renu Naresh Oberoi** is a Whole Time Director of our Company. She has been associated with our Company since 2012. She has been associated with our wind division specifically for over six years. She was appointed as a Whole Time Director with effect from March 20, 2017. She has completed higher secondary education and holds a diploma in fashion designing from London College of Fashion.

**Pradeep Gupta** is a Whole Time Director of our Company. He joined our Company as Vice-President (Corporate Affairs) in 2004. Currently, he has been appointed as a Whole Time Director of our Company with effect from September 2, 2016. He holds a bachelor's degree in textile technology from Maharishi Dayanand University. He has worked in various capacities as Advisor, Head – Wind Energy and Chief Executive Officer with our Company. Prior to joining our Company, he was associated with Eastern Spinning Mills and Industries Limited as a professional director.

**Udai Dhawan** is a Nominee Director of our Company. He was appointed as an alternate director to Nainesh Jaisingh with effect from February 20, 2014. Subsequently, he was appointed as a Nominee Director of our Company with effect from March 20, 2017. He is a qualified chartered accountant. He also holds a master's degree in business administration from the Wharton School, University of Pennsylvania. Currently, he is the managing director and the head of Standard Chartered Private Equity Advisory (India) Private Limited in India, which he joined in 2008. Further, he has been involved in a substantial number of Standard Chartered Private Equity's investments in India till date, and he serves on the board of many of the Standard Chartered Private Equity's portfolio companies. Prior to Standard Chartered Private Equity Advisory (India) Private Limited, he was associated with JP Morgan, Kotak Mahindra Capital Company Limited, Sabre Inc., and Arthur Andersen in various capacities.

**Ghanshyam Dass** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company with effect from February 10, 2011. He holds a bachelor's degree in arts from the University of Delhi. He has experience as a senior advisor to KPMG in India. He is also a trustee of The Braj Foundation and a governing council member of the Bangalore International Mediation, Arbitration and Conciliation Centre.

**Dinesh Kumar** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company with effect from June 25, 2009. He holds a degree from the National Defence Academy, and a degree in Military Studies from the Defence Services Staff College. He has over 23 years of experience in the electrical equipment industry. Prior to joining our Company, he was associated with Trident Powercraft Private Limited as its chairman, and with Kirloskar Electric Company as its executive vice president. He was also executive director in Taneja Aero-space Limited.

**Krishen Dev** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company with effect from February 10, 2011. He holds a bachelor's degree in chemical engineering from the Indian Institute of Technology, Kharagpur. He has over 31 years of experience at Century Enka Limited from 1969 to 2000, where he held positions of, *amongst others*, the manager and senior president.

**Prakash Yashwant Gurav** is an Independent Director of our Company. He was first appointed as an Independent Director with effect from May 28, 2012. He is a qualified chartered accountant and also holds a master's degree in commerce from the

University of Pune. He has experience as senior vice president – corporate finance (account and taxation) with Tata Motors Limited.

**Maheswar Sahu** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company with effect from May 24, 2018. He holds a bachelor of science degree in electrical engineering from Regional Engineering College, Rourkee and a master's degree in development administration from the University of Birmingham, U.K. He is a 1980 batch Indian Administrative Services Officer of Gujarat Cadre. He has been associated with various government companies. Currently he is a member of governing body of Gujarat CSR Authority, an initiative of Government of Gujarat and chairman of GIFT SEZ.

**Shailesh Shankerlal Vaidya** is an Independent Director of our Company. He was first appointed as an Independent Director of our Company with effect from May 24, 2018. He holds a bachelor of commerce degree, bachelor of law degree from University of Mumbai and has passed the examination of articled clerks held by Bombay Incorporated Law Society. He is also a member of Bar Council of Maharashtra. His work experience includes his designation as partner of Messrs Kanga and Company since April 1, 1985.

**Vibhav Parikh** is an alternate director of our Company. He was appointed as alternate director to Udai Dhawan, Nominee Director, during his absence from India pursuant to board resolution dated March 20, 2017 with effect from March 20, 2017. He is an Executive Director with Standard Chartered's Private Equity business in India and has 17 years of progressive experience in business leadership, client relationships, transaction execution, and investment management at Standard Chartered Private Equity, TPG Growth Advisors (India) Private Limited., AdImpact Media Private Limited, Citigroup Global Markets India Pvt. Ltd., ICICI Securities and Finance Company Limited, and Merrill Lynch (Singapore) Pte. Ltd. Vibhav holds a Bachelor of Business Administration (BBA) with 'High Distinction' from the University of Michigan, Ann Arbor.

### Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

Other than Udai Dhawan (and his Alternate Director, Vibhav Parikh), who has been appointed pursuant to the SSHA, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board. For details, see "*History and Certain Corporate Matters – Summary of Key Agreements*" beginning on page 120.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

### Terms of Appointment of the Executive Directors

#### *Naresh Chander Oberoi*

Pursuant to resolution passed by the Board at its meeting held on February 12, 2016 and by the Shareholders in their AGM held on July 15, 2016, and in terms of the letter of appointment dated February 25, 2016, Naresh Chander Oberoi was appointed as Chairman and Managing Director of our Company with effect from April 1, 2016, for a term of five years up to March 31, 2021. The details of his remuneration are set forth below.

S. No.	Remuneration	Details
1.	Basic Salary	₹ 1.90 million per month with an annual increase by 10% on a progressive basis on April 1 every year. For the current Financial Year, he is entitled to ₹ 2.09 million.
2.	Commission on Profits	₹6.24 million per quarter provided that the aggregate annual performance linked remuneration shall be equal to 2.5% per annum on net profits as computed under the Companies Act
3.	Perquisites and allowances	<ul style="list-style-type: none"><li>• Contribution towards provident fund as per our Company's rules, not exceeding 12% of basic salary;</li><li>• Medical benefits for Naresh Chander Oberoi and his spouse, not exceeding one month's salary in a block of three years;</li><li>• Leave travel concession for Naresh Chander Oberoi and his spouse once a year for round trip domestic travel;</li><li>• Leave on full pay and allowance subject to Company's rules;</li><li>• Gas, electricity, water, and furnishing expenditure to be evaluated in accordance with Indian laws;</li><li>• Provisioning of two cars with drivers for business and private use;</li><li>• Telephone facility at residence free of cost;</li><li>• Membership fees and subscription of up to two clubs, excluding entrance and life membership fees;</li><li>• Reimbursement of expenses actually and properly incurred by Naresh Chander Oberoi in connection with our Company's business; and</li></ul>

S. No.	Remuneration	Details
		<ul style="list-style-type: none"> <li>Such other benefits, privileges, and amenities as may be available to other officers of our Company.</li> </ul>

#### *Bharat Naresh Oberoi*

Pursuant to resolution passed by the Board at its meeting held on February 12, 2016 and by the Shareholders in their AGM held on July 15, 2016, and in terms of the letter of appointment dated February 25, 2016, Bharat Naresh Oberoi was appointed as Joint Managing Director of our Company with effect from April 1, 2016, for a term of five years up to March 31, 2021. The details of his remuneration are set forth below.

S. No.	Remuneration	Details
1.	Basic Salary	₹1.52 million per month with an annual increase by 10% on a progressive basis on April 1 every year. For the current Financial Year, he is entitled to ₹ 1.67 million.
2.	Commission on Profits	₹5.00 million per quarter provided that the aggregate annual performance linked remuneration shall be equal to 2% per annum on net profits as computed under the Companies Act
3.	Perquisites and allowances	<ul style="list-style-type: none"> <li>Contribution towards provident fund as per our Company's rules, not exceeding 12% of basic salary;</li> <li>Medical benefits for Bharat Naresh Oberoi and his spouse, not exceeding one month's salary in a block of three years;</li> <li>Leave travel concession for Bharat Naresh Oberoi and his spouse once a year for round trip domestic travel;</li> <li>Leave on full pay and allowance subject to Company's rules;</li> <li>Gas, electricity, water, and furnishing expenditure to be evaluated in accordance with Indian laws;</li> <li>Provisioning of two cars with drivers for business and private use;</li> <li>Telephone facility at residence free of cost;</li> <li>Membership fees and subscription of up to two clubs, excluding entrance and life membership fees;</li> <li>Reimbursement of expenses actually and properly incurred by Bharat Naresh Oberoi in connection with our Company's business; and</li> <li>Such other benefits, privileges, and amenities as may be available to other officers of our Company.</li> </ul>

#### *Renu Naresh Oberoi*

Pursuant to resolution passed by the Board at its meeting held on March 20, 2017 and by the Shareholders in their AGM held on September 28, 2017, and in terms of her letter of appointment, Renu Naresh Oberoi was appointed as a Whole Time Director of our Company with effect from March 20, 2017, for a term of five years up to March 19, 2022. The details of her remuneration are set forth below.

S. No.	Remuneration	Details
1.	Basic Salary	₹ 0.60 million per month with an annual increase on April 1 every year as decided by the Chairman and Managing Director. For the current Financial Year, she is entitled to ₹ 0.60 million.
2.	Perquisites and allowances	<ul style="list-style-type: none"> <li>Contribution towards provident fund as per our Company's rules;</li> <li>Medical benefits for Renu Naresh Oberoi and her spouse not exceeding one month's salary in a block of three years;</li> <li>Leave travel concession for Renu Naresh Oberoi and her spouse once a year for round trip domestic travel;</li> <li>House rent allowance of ₹ 0.36 million per month;</li> <li>Food and conveyance of ₹ 0.04 million per month;</li> <li>Leave on full pay and allowance subject to Company's rules not exceeding one month's leave for every 11 months of service;</li> <li>Gas, electricity, water, and furnishing expenditure to be evaluated in accordance with Indian laws;</li> <li>Provisioning of one car with driver for business and private use;</li> <li>Telephone facility at residence free of cost;</li> <li>Membership fees and subscription of up to two clubs, excluding entrance and life membership fees; and</li> <li>Such other benefits, privileges, and amenities as may be available to other officers of our Company.</li> </ul>

#### *Pradeep Gupta*

Pursuant to resolution passed by the Board at its meeting held on September 2, 2016 and by the Shareholders in their AGM held on September 28, 2017 on and in terms of his letter of appointment, Pradeep Gupta was appointed as a Whole Time Director of our Company with effect from September 2, 2016 up to September 1, 2021. The terms of his remuneration are set forth below.

S. No.	Remuneration	Details
1.	Basic Salary	₹ 0.27 million per month with an annual increase by 10% on April 1 every year as decided by the Chairman and Managing Director. For the current Financial Year, he is entitled to ₹ 0.54 million.
2.	Perquisites and allowances	<ul style="list-style-type: none"> <li>• Contribution towards provident fund as per our Company's rules;</li> <li>• Medical allowance of ₹ 0.05 million per month;</li> <li>• Leave travel allowance of ₹ 0.04 million per month;</li> <li>• House rent allowance of ₹ 0.11 million per month;</li> <li>• Food and conveyance of ₹ 0.34 million per month;</li> <li>• Leave on full pay and allowance subject to our Company's rules not exceeding one month's leave for every 11 months of service;</li> <li>• Reimbursement of all expenses incurred by him in connection with our Company's business to be borne by our Company; and</li> <li>• Such other benefits, privileges, and amenities as may be available to other officers of our Company.</li> </ul>

### Payment or benefit to Directors of our Company

Details of the sitting fees/other remuneration paid to our Directors in Financial Year 2018 are set forth below.

#### Remuneration to Executive Directors

Details of the remuneration paid to the Executive Directors in Financial Year 2018 are set forth below.

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Naresh Chander Oberoi	45.87
2.	Bharat Naresh Oberoi	36.47
3.	Pradeep Gupta	13.04
4.	Renu Naresh Oberoi	12.27

#### Remuneration to Non-Executive Directors

Our Non-Executive Directors are entitled to receive sitting fees for attending meetings of the Board and its committees, as may be decided by the Board and/or approved by our shareholders, from time to time.

The Independent Directors are entitled to sitting fees for every meeting of the Board or any committee that they attend. Further, the Independent Directors are also paid for travelling, boarding, lodging and other expenses incurred by them in connection with the business of our Company.

Details of the sitting fees paid to the Non-Executive Directors of our Company in Financial Year 2018 are set forth below.

S. No.	Name of Non-Executive Director	Sitting Fees, including commission (in ₹ million)	Sitting Fees, including commission payable, if any (in ₹ million)
1.	Dinesh Kumar	0.72	0.68*
2.	Ghanshyam Dass	0.70	0.66*
3.	Krishen Dev	0.70	0.66*
4.	Prakash Yashwant Gurav	0.76	0.72*
5.	Kharatiram Kharak Puri	0.10	0.10
6.	Udai Dhawan	0.10	0.10
7.	Vibhav Parikh	0.10	0.10

\*As per the board resolution dated May 24, 2018 and shareholders' resolution dated May 31, 2018 the payment of commission, in addition to the sitting fees for the Financial Year 2018 would be made at the rate of 0.2% of Net Profit to Independent Director subject to maximum of ₹ 0.5 million to each Independent Director.

### Bonus or Profit Sharing Plan of the Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

### Remuneration paid to Directors of our Company by our Subsidiaries or our Associate

None of our Directors have been paid any remuneration from our Subsidiaries or our Associate, including contingent or deferred compensation accrued for the year during Financial Year 2018.

### Shareholding of Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below.

Name of the Director	Number of Equity Shares Held
Naresh Chander Oberoi	5,476,000
Bharat Naresh Oberoi	17,902,302

Name of the Director	Number of Equity Shares Held
Kharatiram Kharak Puri	5,294,808
Renu Nares Oberoi	4,633,717

Our Articles of Association do not require our Directors to hold any qualification shares.

### Interest of Directors

- (a) Our Non-Executive Non-Independent Directors and Independent 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 available to them and commission payable to them as approved by our Board. All our Executive Directors may be deemed to be interested to the extent of other remuneration and reimbursement of expenses payable to them as stated in “- *Terms of appointment of the Executive Directors*” beginning on page 127.
- (b) Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Nares Oberoi are also the Promoters of our Company, and may accordingly be deemed to be interested in the promotion or formation of our Company. Our Directors may also be regarded as interested in the Equity Shares held by them, if any (together with dividends and any other distributions in respect of such Equity Shares).
- (c) None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company in the preceding three years.
- (d) Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
- (e) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
- (f) Except as disclosed in “*Financial Statements*” beginning on page 146 and as disclosed in this section, none of our Directors have any interest in our business.
- (g) Further, except as disclosed in “*Financial Statements*” beginning on page 146, no loans have been availed by our Directors from our Company.

### Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason
Naresh Chander Oberoi	April 1, 2016	Re-appointment as Executive Director
Bharat Nares Oberoi	April 1, 2016	Re-appointment as Executive Director
Lata Oberoi	May 1, 2016	Cessation of Directorship
Pradeep Gupta	September 2, 2016	Appointment as Additional Director and Executive Director
Veena Bhagwan Thadani	September 2, 2016	Appointment as Additional Director
Nainesh Jaisingh	December 20, 2016	Resignation as Nominee Director
Udai Dhawan	December 20, 2016	Resignation as Alternate Director to Nainesh Jaisingh
Renu Nares Oberoi	March 20, 2017	Appointment as Additional Director and Executive Director
Udai Dhawan	March 20, 2017	Appointment as Nominee Director
Vibhav Parikh	March 20, 2017	Appointment as Alternate Director to Udai Dhawan
Veena Bhagwan Thadhani	March 20, 2018	Resignation as Independent Director
Maheswar Sahu	May 24, 2018	Appointment as Independent Director
Shailesh Shankerlal Vaidya	May 24, 2018	Appointment as Independent Director

### Borrowing Powers of Board

Pursuant to resolution passed by our shareholders in their AGM held on September 25, 2014, the Board is authorised to borrow from time to time all such sum(s) of money together with the money(s) already borrowed by our Company (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which money(s) may be borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed ₹ 10,000 million.

### Corporate Governance

The provisions of the SEBI Listing Regulations 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 SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of the SEBI, in

respect of corporate governance including in respect of the constitution of the Board and committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Currently, our Board has 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, since our Chairman and Managing Director is an Executive Director, half of our Board comprises of independent directors. We have one woman Director.

## **Committees of the Board**

Details of the committees of the Board are set forth below. 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. Dinesh Kumar;
2. Ghanshyam Dass;
3. Krishen Dev;
4. Prakash Yashwant Gurav; and
5. Udai Dhawan/Vibhav Parikh.

Naresh Chander Oberoi and Pradeep Gupta have been designated as invitees to the meetings of the Audit Committee.

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on August 11, 2008 and last reconstituted pursuant to resolution passed by our Board in its meeting held on March 20, 2017. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on July 30, 2018 are set forth below.

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board for appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditors of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board of Director for approval;
7. 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 utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds

- of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the proposed initial public offer by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuing of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluating of internal financial controls and risk management systems;
  12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  13. Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
  14. 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;
  15. Discussing with the internal auditors on any significant findings and follow up there on;
  16. 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;
  17. Discussing with the 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;
  18. 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;
  19. Reviewing the functioning of the whistle blower mechanism;
  20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
  21. Carrying out any other function as mentioned in the terms of reference as may be decided by the Board or specified/provided under the Companies Act, 2013 or the SEBI Listing Regulations or by any other regulatory authority.

#### ***Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Dinesh Kumar;
2. Krishen Dev; and
3. Uday Dhawan/Vibhav Parikh.

The Nomination and Remuneration Committee was constituted pursuant to resolution passed by our Board in its meeting held on June 14, 2014 and last reconstituted pursuant to resolution passed by our Board in its meeting held on March 20, 2017. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on July 30, 2018 are set forth below.

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the board of directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the board of directors;
3. Devising a policy on board of directors diversity;
4. 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 of directors their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and determination of remuneration packages of such directors;
8. 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 and in accordance with the remuneration policy approved by the board of directors;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits) Regulations 2014, as amended;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended); or
  - (b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, 2013, the SEBI Listing Regulations, or by any other regulatory authority.

#### ***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Kharatiram Kharak Puri,
2. Naresh Chander Oberoi;
3. Bharat Naresh Oberoi; and
4. Renu Naresh Oberoi.

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 30, 2018. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on July 30, 2018 are set forth below.

1. Considering and resolving grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends;
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issuing duplicate certificates and new certificates on split/consolidation/renewal; and
4. Carrying out any other function as may be decided by the board of directors or prescribed under the Companies Act, 2013, the SEBI Listing Regulations, or by any other regulatory authority.

#### ***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Naresh Chander Oberoi;
2. Ghanshyam Dass; and
3. Prakash Yashwant Gurav.

The Corporate Social Responsibility Committee was constituted pursuant to resolution passed by our Board in its meeting held on May 13, 2013 and last reconstituted pursuant to resolution passed by our Board in its meeting held on June 14, 2014. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on June 14, 2014 are set forth below.

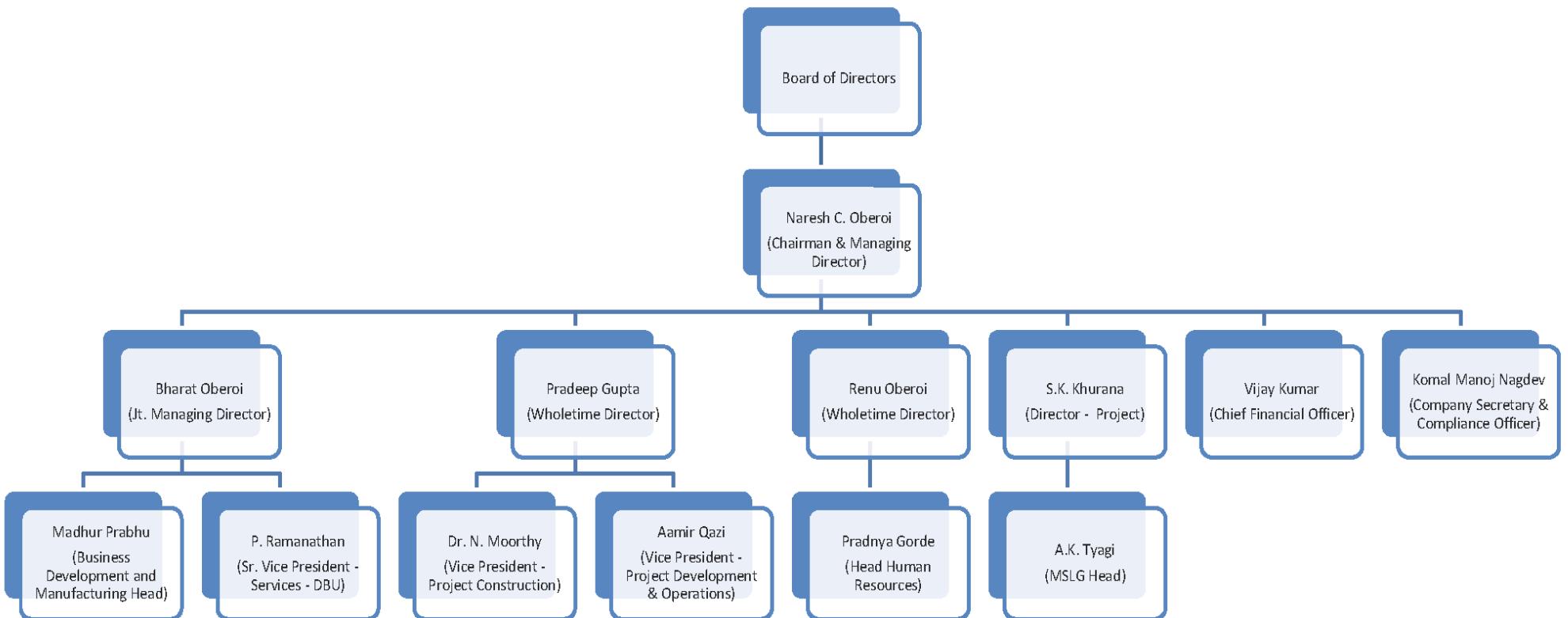
- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause(a); and
- c) To monitor the Corporate Social Responsibility Policy of the Company, from time to time.

#### **Other Committees**

In addition to the above committees, our Company has constituted the following committees:

1. IPO Committee; and
2. Management and Operations Committee.

## Management Organisation Structure



## **Key Managerial Personnel**

The details of the key managerial personnel as of the date of this Draft Red Herring Prospectus are as follows:

**Naresh Chander Oberoi** is the Chairman and Managing Director of our Company. For details, see “- *Brief Biographies of Directors*” beginning on page 126. For details of compensation paid to him during Financial Year 2018, see “- *Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” on page 129.

**Bharat Naresh Oberoi** is the Joint Managing Director of our Company. For details, see “- *Brief Biographies of Directors*” beginning on page 126. For details of compensation paid to him during Financial Year 2018, see “- *Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” on page 129.

**Renu Naresh Oberoi** is an Executive Director and Whole Time Director of our Company. For details, see “- *Brief Biographies of Directors*” beginning on page 126. For details of compensation paid to her during Financial Year 2018, see “- *Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” on page 129.

**Pradeep Gupta** is an Executive Director and Whole Time Director of our Company. For details, see “- *Brief Biographies of Directors*” beginning on page 126. For details of compensation paid to him during Financial Year 2018, see “- *Payment or benefit to Directors of our Company – Remuneration to Executive Directors*” on page 129.

**Vijay Kumar** is the Chief Financial Officer of our Company. He has been associated with our Company since 2008. He is a qualified chartered accountant, as well as a qualified cost accountant and a qualified company secretary. He also holds a bachelor’s degree in commerce from Osmania University. Further, he holds a master’s degree in law and a master’s degree in financial management from the University of Mumbai. He has over 30 years of experience in financial management, accounting, direct and indirect taxes, legal and secretarial functions, and has handled new projects, general administration, finance and treasury functions in various companies. Prior to joining our Company, he was associated with The Victoria Mills Limited, Glaxo Laboratories (India) Limited, May & Baker (India) Limited, Duphar-interfran Limited, Cement Corporation of Gujarat Limited, Murabblack India Limited, MIRC Electronics Limited and Better Foods Limited. He was paid compensation of ₹ 8.39 million in Financial Year 2018.

**Sunil Kumar Khurana** is the Director – Projects of our Company. He has been associated with our Company since 1991. He holds a bachelor’s degree in mechanical engineering from Sardar Patel University. He has over 27 years of experience in the diesel engine industry, including in power generation applications and rental power, and diesel engine industrial applications for construction and marine propulsion. Presently, he is responsible for managing entire project division and electrical design in our Company. He was paid compensation of ₹ 8.01 million in Financial Year 2018.

**Padmanabhan Ramanathan** is the Senior Vice President – Services – Distribution Business Unit of our Company. He has been associated with our Company since 1999. He holds a diploma in electrical engineering from the State Board of Technical Education and Training. He has over 19 years of experience in the power generating set industry. Prior to joining our Company, he was associated with Batliboi Limited in the capacity of a regional sales manager in the power generation division of Batliboi Industrial Marketing Group. Presently, he is responsible for managing our projects in South India, and our warranty and post-warranty services in South India. He was paid compensation of ₹ 6.26 million for Financial Year 2018.

**Anil Kumar Tyagi** is the Head of Medium Speed Large Generator Sets division of our Company. He has been associated with our Company since 1997. He holds a bachelor’s degree in mechanical engineering from M.V.J. College of Engineering, Bangalore. He has over 21 years of experience in the power generating set industry. Prior to joining our Company, he was associated with Rai Prexim India Private Limited. Presently, he is responsible for managing the Rewari office of our Company. He was paid compensation of ₹ 7.01 million in Financial Year 2018.

**Komal Manoj Nagdev** is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since 2015. She is a qualified Company Secretary registered with Institute of Company Secretaries of India, and holds a bachelor’s degree in commerce as well as law from the University of Mumbai. She has over 12 years of experience in legal and secretarial work. Prior to joining our Company, she has been associated with Tolani Shipping Company Limited and multinational companies such as Abeinsa Business Development Private Limited and Bel Tone India Private Limited as a company secretary. Presently, she is responsible for corporate, legal and secretarial functions of our Company. She was paid compensation of ₹ 1.62 million in Financial Year 2018.

**Karunamoorthy Niranjan Neethimani** is the Vice President – Project Construction of our Company. He has been associated with our Company since 2016. He holds a diploma in electrical and electronic engineering from the State Board of Technical Education and Training, Tamil Nadu. He holds a bachelor’s degree in electrical engineering from Janardan Rai Nagar Rajasthan Vidyapeeth University. He also holds a master’s degree in electrical engineering with a specialization in control and instrumentation from Janardan Rai Nagar Rajasthan Vidyapeeth University. He also holds a doctorate of philosophy in wind energy from Paramount International University (USA). He has over 22 years of experience in the wind energy industry. Prior to joining our Company, he was associated with AWT Energy Private Limited as an executive director. Presently, he is responsible for managing project planning, development and execution in our Company. He was paid compensation of ₹ 4.23 million in Financial Year 2018.

**Aamir Qazi** is the Vice President –Project Development and Operations of our Company. He has been associated with our group since 2006. He holds a bachelor’s degree in commerce from University of Pune, a diploma in business finance from the Institute of Chartered Financial Analysts of India and a post-graduate diploma in business administration from ICFAI Business School. He was also admitted as a graduate member of the IBS Alumni Federation. He has over 18 years of experience in commercial, dealing with financial institutions, general management, business development, trade finance, logistics and export documentation, establishment and operation of subsidiary in middle east, legal, contracts negotiation, project development and operations, corporate affairs and public relations. Prior to joining our Company, he was associated with Art-Yarn Exports (India) Private Limited as General Manager – Corporate Affairs and as Vice-President. Presently, he is responsible for project planning, development and operations, legal and contract finalisation of wind division in our Company. He was paid compensation of ₹ 3.47 million in the Financial Year 2018.

**Pradnya Gorde** is the Head – Human Resources of our Company. She has been associated with our Company since 2018. She holds a post-graduation degree in human resource management from XLRI, Jamshedpur and a master’s degree in labour studies (MBA-HR) from University of Mumbai. Prior to joining our Company, she has worked as human resources coordinator with Le Royal Meridien, Mumbai and also as manager in the human resource department of Central Depository Services (I) Limited. She has 14 years of experience in human resource management. Presently, she is responsible for human resource management in our Company. She was paid compensation of ₹ 0.04 million in Financial Year 2018.

**Madhur Prabhu** is the Business Development and Manufacturing Head of our Company. He has been associated with our Company since 2015. He holds a diploma in industrial electronics from Maharashtra State Board of Technical Education and a bachelor’s degree in electronics engineering from University of Mumbai. He also holds a master’s degree in business administration from Eton University. Prior to joining our Company, he has worked as business development officer with Tricolite Electrical Industries Limited, as chief marketing officer with Technocrafts Switchgear Private Limited and also as chief executive with Adlec Systems Private Limited. Presently, he is responsible for plant operation both Silvassa and Khapoli unit of our Company. He was paid compensation of ₹ 4.35 million in Financial Year 2018.

All our Key Managerial Personnel are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

### **Shareholding of Key Managerial Personnel in our Company**

Except as disclosed in “ - Shareholding of Directors in our Company” on page 129, and as disclosed below, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Name of Key Managerial Personnel	Number of Equity Shares held
Sunil Kumar Khurana	2,799

### **Relationship between our Key Managerial Personnel**

Except as disclosed in “- Relationship between our Directors and our Directors and Key Managerial Personnel” on page 125, none of our Key Managerial Personnel are related to each other.

### **Interest of Key Managerial Personnel**

Except as disclosed in “- Interest of Directors” on page 130 in respect of Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi, no other Key Managerial Personnel of our Company has any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Further, the Key Managerial Personnel may be regarded as interested in the Equity Shares held by them, if any, (together with dividends and any other distributions in respect of such Equity Shares). For details, see “- Shareholding of Key Managerial Personnel in our Company” on page 137.

Except as disclosed in “Financial Statements” beginning on page 146, no loans have been availed by our Key Managerial Personnel from our Company.

### **Changes in our Key Managerial Personnel in the three immediately preceding years:**

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below. For details in changes in our Key Managerial Personnel, who are also Executive Directors, see “- Changes in our Board in the last three years” on page 130.

Name	Date of change	Reason for change
Karunamoorthy Nirjanan Neethimani	July 1, 2016	Appointment as Vice President – Project Construction
Pradnya Gorde	March 23, 2018	Appointment as Head – Human Resources

### **Payment or benefit to officers of our Company**

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

### **Bonus or profit sharing plans for our Key Managerial Personnel**

None of our Key Managerial Personnel is party to any bonus or profit sharing plan of our Company.

### **Employee stock option plan and employee stock purchase plan**

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or employee stock purchase plan in place.

## **OUR PROMOTERS AND PROMOTER GROUP**

As on the date of this Draft Red Herring Prospectus, the Promoters of our Company are Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi.



Naresh Chander Oberoi, aged 77 years, is the Chairman and Managing Director of our Company. He is a resident Indian national. For further details, see "*Our Management*" beginning on page 122.

The permanent account number of Naresh Chander Oberoi is AAEPO2381A and his Aadhaar card number is 8073 8963 9075. He does not hold a driving license.



Kharatiram Kharak Puri, aged 92 years, is a Non-Executive Non-Independent Director of our Company. He is a resident Indian national. For further details, see "*Our Management*" beginning on page 122.

The permanent account number of Kharatiram Kharak Puri is AAEPP8874D and his Aadhaar card number is 7744 7277 1321. His voter identification card number is MT/04/019/027007. He does not hold a driving license.



Bharat Naresh Oberoi, aged 48 years, is the Joint Managing Director of our Company. He is a resident Indian national. For further details, see "*Our Management*" beginning on page 122.

The permanent account number of Bharat Naresh Oberoi is AAAP00724D, his Aadhaar card number is 5394 9083 7916 and his driving license number is MH01 19930028567.

As on date of this Draft Red Herring Prospectus, our Promoters hold, in aggregate, 28,673,110 Equity Shares, representing 75.27% of the issued, subscribed and paid-up Equity Share capital of our Company.

Our Company confirms that the permanent account number, bank account number(s) and passport number of our Promoters will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

### **Change in control of our Company**

Our Promoters are the original promoters of our Company and there has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, see "*Our Management*" beginning on page 122.

### **Interest of our Promoters**

- (a) Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*" beginning on page 51.
- (b) Our Promoters are further interested in our Company in their capacity as Directors of our Company. Naresh Chander Oberoi and Bharat Naresh Oberoi are further interested in our Company in their capacity as Key Managerial Personnel of our Company. For further details, see "*Our Management*" beginning on page 122.
- (c) None of our Promoters have any interest in any property acquired or proposed to be acquired by our Company in the preceding three years.
- (d) Our Promoters are not interested as a member of a firm or a company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.
- (e) Further, none of our Promoters have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

## **Payment or benefits to our Promoters**

Except as disclosed in “*Financial Statements*” and “*Our Management*” beginning on pages 146 and 122, respectively, our Company has not entered into any contract, agreements or arrangements in the preceding two years, nor does our Company propose to enter into any such contract, arrangement or agreements in which our Promoters are directly or indirectly interested and no payments or benefits are intended to be made to the Promoters and the members of the Promoter Group or have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

## **Material Guarantees**

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Draft Red Herring Prospectus.

## **Disassociation by our Promoters in the three immediately preceding years**

Except as disclosed below, our Promoters have not disassociated themselves from any companies or firms during the three immediately preceding years.

Sr. No.	Name of disassociated entity	Promoter who has disassociated	Reasons and circumstances leading to the disassociation and terms of disassociation	Date of disassociation
1.	deGustibus Hospitality Private Limited	Naresh Chander Oberoi and Bharat Naresh Oberoi	Divestment	November 23, 2017 and July 3, 2015
2.	Capitalg Healthcare Multiventures Private Limited (Formerly known as L. N. Health Care Private Limited)	Naresh Chander Oberoi	Divestment	September 27, 2017
3.	Dev-Dwarka Windproject Limited	Naresh Chander Oberoi, Kharatiram Kharak Puri and Bharat Naresh Oberoi	Divestment	June 27, 2016

## **Confirmations**

None of our Promoters have been declared as wilful defaulters, as defined under the SEBI ICDR Regulations.

None of our Promoters or the members of the Promoter Group have 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 and members of the Promoter Group are not and have never been promoters, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters have not taken any unsecured loans which can be recalled by the lenders at any time.

## **Promoter Group**

Details of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (excluding our Promoters and Subsidiaries) are set forth below:

### *Natural persons forming part of Promoter Group*

1. Anupama Oberoi;
2. Beena Kapoor;
3. Bhola Tandon;
4. Bhushan Tandon;
5. Gopal Kishan Tandon;
6. Hari Tandon;
7. Jahaan Oberoi;
8. Jairam Oberoi;
9. Meenu Pohoomull.
10. Motia Verma;

11. Neeru Kohli;
12. Prem Lata Ghai;
13. Raj Kumari Kharbanda;
14. Renu Naresh Oberoi;
15. Salu Chanrai;
16. Shashi Bhasin;
17. Shobha Puri; and
18. Suresh Puri.

*HUF and Trusts forming part of Promoter Group*

1. Oberoi Family Trust

*Entities forming part of Promoter Group*

1. ASA Electro Power Systems Private Limited;
2. Ashutosh Traders Limited Liability Partnership;
3. Empower Gensets Private Limited.
4. Everest Industrial Gases Private Limited;
5. Powerica Generators Limited Liability Partnership;
6. Powerica Sales and Services Private Limited; and
7. Renu Oberoi Luxury Jewellery Limited Liability Partnership.

## OUR GROUP COMPANIES

Pursuant to resolution of our Board dated February 5, 2019, and in accordance with the SEBI ICDR Regulations, group companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Financial Information of our Company, as covered under applicable accounting standards; and (ii) such other companies as considered material by our Board. Our Board has approved that for the purpose of disclosure in connection with the Offer, a company shall be considered material and disclosed as a group company of our Company, if (i) such company forms part of the promoter group of our Company; and (ii) companies with whom transactions entered into exceed 5% or more of the revenue of our Company as per the Restated Financial Information of our Company for the last completed Financial Year.

Pursuant to an order dated August 11, 2017 of the National Company Law Tribunal, Mumbai Bench, the scheme of amalgamation between Nishkama Jagruti Developers Private Limited and PSSPL was approved with effect from April 1, 2015. As Nishkama Jagruti Developers Private Limited has amalgamated with PSSPL, it has not been identified as a Group Company.

Further, we have submitted an exemption application dated March 8, 2019 with SEBI seeking an exemption from identifying deGustibus Hospitality Private Limited and Capitalg Healthcare Multiventures Private Limited (formerly known as L. N. Health Care Private Limited) as the ‘group companies’ of our Company, as certain of our Promoters and members of our Promoter Group have disassociated with such companies and our Directors and Key Managerial Personnel are not connected with such companies in any manner.

On this basis, our Board has accordingly determined that there are no other companies which will be considered as Group Companies of our Company, other than as set forth below.

1. Powerica Sales and Services Private Limited;
2. Airpower Windfarms Private Limited;
3. Art-Yarn Exports (India) Private Limited; and
4. AWT Energy Private Limited.

### **Details of Group Companies**

The details of our Group Companies are set forth below.

#### ***Powerica Sales and Services Private Limited***

##### *Corporate Information*

PSSPL was incorporated as a private limited company on March 15, 1980 under the Companies Act, 1956. The registered office of PSSPL is situated at B 171, Floor 17, Plot 85, B, Maker Tower, G.D. Somani Marg, World Trade Centre, Cuffe Parade, Mumbai 400 005. PSSPL is engaged in the business of, *inter alia*, project execution, commission and investments in diesel generator sets.

##### *Financial Information*

The financial information derived from the audited financial results of PSSPL for the Financial Years 2018, 2017 and 2016 are set forth below:

Particulars	Financial Year 2018	Financial Year 2017	Financial Year 2016
Equity Capital	3.61	3.61	3.61
Reserves and Surplus (Excluding Revaluation Reserves)	196.73	188.42	179.21
Sales/Turnover (Income)	0.54	5.05	2.25
Profit/(Loss) after Tax	8.31	9.21	26.02
Earnings per Share (Basic)	23.02	25.50	72.07
Earnings per Share (Diluted)	23.02	25.50	72.07
Net Asset Value per Share	554.95	531.93	506.43

There are no significant notes by the auditors of PSSPL in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

#### ***Airpower Windfarms Private Limited***

##### *Corporate Information*

Airpower Windfarms Private Limited was incorporated as a private company on February 6, 2016 under the Companies Act, 1956. The registered office of Airpower Windfarms Private Limited is situated at 902, Wing C, Godrej Coliseum, Lokmanya Pan Bazar, Somaiya Hospital Road, Behind Everard Nagar Sion East, Mumbai 400 022. Airpower Windfarms Private Limited is engaged in the business of, *inter alia*, development of wind power project.

#### *Financial Information*

The financial information derived from the audited financial results of Airpower Windfarms Private Limited for the Financial Years 2018, 2017 and 2016 are set forth below:

Particulars	<i>(In ₹ million, except share data)</i>		
Particulars	Financial Year 2018	Financial Year 2017	Financial Year 2016
Equity Capital	2.50	0.10	0.10
Reserves and Surplus (Excluding Revaluation Reserves)	(1.29)	(0.92)	(0.07)
Sales/Turnover (Income)	0.62	0.20	-
Profit/(Loss) after Tax	(0.37)	(0.84)	(0.07)
Earnings per Share (Basic)	(2.45)	(84.45)	(7.46)
Earnings per Share (Diluted)	(2.45)	(84.45)	(7.46)
Net Asset Value per Share	4.84	(81.91)	2.54

There are no significant notes by the auditors of Airpower Windfarms Private Limited in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

#### **Art-Yarn Exports (India) Private Limited**

##### *Corporate Information*

Art-Yarn Exports (India) Private Limited was incorporated as a private company on June 23, 2004 under the Companies Act, 1956. The registered office of Art-Yarn Exports (India) Private Limited is situated at 9<sup>th</sup> Floor, Wing C, Godrej Coliseum, Sion Trombay Road, Sion East, Mumbai 400 022. Art-Yarn Exports (India) Private Limited is engaged in the business of, *inter alia*, export of textile yarns and fabrics in the international market.

##### *Financial Information*

The financial information derived from the audited financial results of Art-Yarn Exports (India) Private Limited for the Financial Years 2018, 2017 and 2016 are set forth below:

Particulars	<i>(In ₹ million, except share data)</i>		
Particulars	Financial Year 2018	Financial Year 2017	Financial Year 2016
Equity Capital	3.00	3.00	2.25
Reserves and Surplus (Excluding Revaluation Reserves)	159.20	143.43	119.36
Sales/Turnover (Income)	1,138.25	1,245.92	1,106.78
Profit/(Loss) after Tax	16.85	25.43	24.58
Earnings per Share (Basic)	56.16	102.79	81.92
Earnings per Share (Diluted)	56.16	102.79	81.92
Net Asset Value per Share	540.66	488.11	540.48

There are no significant notes by the auditors of Art-Yarn Exports (India) Private Limited in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

#### **AWT Energy Private Limited**

##### *Corporate Information*

AWT Energy Private Limited was incorporated as a private company on August 28, 2007 under the Companies Act, 1956. The registered office of AWT Energy Private Limited is situated at 9<sup>th</sup> Floor, Wing C, Godrej Coliseum, Sion Trombay Road, Sion East, Mumbai 400 022. AWT Energy Private Limited is engaged in the business of, *inter alia*, dealing in wind masts, accessories, installation and maintenance services.

##### *Financial Information*

The financial information derived from the audited financial results of AWT Energy Private Limited for the Financial Years 2018, 2017 and 2016 are set forth below:

Particulars	<i>(In ₹ million, except share data)</i>		
Particulars	Financial Year 2018	Financial Year 2017	Financial Year 2016
Equity Capital	1.42	1.00	1.00
Reserves and Surplus (Excluding Revaluation Reserves)	20.36	15.59	8.20
Sales/Turnover (Income)	33.39	54.94	38.22

<b>Particulars</b>	<b>Financial Year 2018</b>	<b>Financial Year 2017</b>	<b>Financial Year 2016</b>
Profit/(Loss) after Tax	4.77	7.63	2.61
Earnings per Share (Basic)	36.62	76.25	26.06
Earnings per Share (Diluted)	36.62	76.25	26.06
Net Asset Value per Share	217.77	165.87	92.03

There are no significant notes by the auditors of AWT Energy Private Limited in relation to the aforementioned financial statements for the specified three immediately preceding Financial Years.

### **Litigation**

There is no outstanding litigation involving our Group Companies which have a material impact on our Company.

### **Group Companies under the Insolvency and Bankruptcy Code, 2016**

Neither has any winding up petition been filed under the Companies Act, 2013 against any group company nor has any corporate insolvency resolution process commenced against such group company under the Insolvency and Bankruptcy Code, 2016 or any other applicable law.

### **Loss making Group Companies**

Except Airpower Windfarms Private Limited, none of our Group Companies have incurred losses during the immediately preceding Financial Year. For details in respect of Airpower Windfarms Private Limited, see “– *Details of Group Companies*” beginning on page 142.

### **Defunct Group Companies**

None of our Group Companies are defunct companies, nor has any application been made to strike off their names from the register of companies during the five years preceding the date of filing the Draft Red Herring Prospectus.

### **Common Pursuits among the Group Companies and our Company**

Except for PSSPL, Airpower Windfarms Private Limited and AWT Energy Private Limited, there are no common pursuits amongst any of our Group Companies and our Company. Our Company and Airpower Windfarms Private Limited, both are engaged in the wind power business as IPP. AWT Energy Private Limited is also engaged in the business of, *inter alia*, dealing in wind masts, accessories, installation and maintenance services. PSSPL is primarily in the business of servicing of DG Sets and spare parts required for servicing the DG sets. Our Company is engaged in manufacturing, marketing and supply, installation, testing and commissioning and after-sales servicing and maintenance of diesel generator sets. See “*Risk Factors - Some of our Group Companies, our Promoters and members of our Promoter Group, including some of our Directors are involved in ventures that operate in the same line of business as us, which may lead to competition with such persons or entities.*” on page 33.

### **Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company**

For details, see “*Financial Statements – Annexure 38*” beginning on page 204.

### **Interest of Group Companies**

- (a) None of the Group Companies have any interest in the promotion of our Company.
- (b) None of the Group Companies are interested in the properties acquired or proposed to be acquired by our Company in the preceding three years.
- (c) Except as disclosed in “*Financial Statements*” beginning on page 146, none of the Group Companies is interested in any transactions for acquisition of land, construction of building or supply of machinery.
- (d) Except in the ordinary course of business as disclosed in “*Financial Statements*” beginning on page 146, none of the Group Companies have any business interest or other interests in our Company.

### **Other Confirmations**

None of the Group Companies are listed on any stock exchange nor has there been a failure of the Group Companies to meet the listing requirement of any exchange in India or abroad.

## 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, 2013. 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.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

Except for the Financial Year 2017, our Company has declared and paid dividend on the Equity Shares during the last three Financial Years. The amounts paid as dividends in the past are not necessarily indicative of dividend amounts in the future, if any. The details of dividend paid by our Company in the preceding three Financial Years, the period ended September 30, 2018 and the period from September 30, 2018 till the date of this Draft Red Herring Prospectus are set out in the following table:

Particulars	From September 30, 2018 till the date of this Draft Red Herring Prospectus	From April 1, 2018 to September 30, 2018	Financial Year 2018	Financial Year 2017	Financial Year 2016
Number of equity shares	38,092,129	-	38,092,129	-	42,123,078
Face value of equity shares <sup>#</sup>	5	-	2	-	2
Rate of dividend (%)	75	-	100	-	500
Dividend per equity share (in ₹)	3.75	-	2	-	10
Amount of dividend (in ₹ million)*	172.21 <sup>(3)</sup>	-	91.84 <sup>(2)</sup>	-	506.98 <sup>(1)</sup>
Mode of payment of dividend	Demand draft	-	Demand draft	-	Cheque

\* Includes dividend distribution tax.

# Face value changed to ₹ 5 with effect from June 7, 2018.

- (1) Our Board declared an interim dividend of ₹ 3 per equity share, and a second interim dividend of ₹ 7 per equity share pursuant to the resolutions passed in their meetings held on February 12, 2016 and March 15, 2016, respectively. Subsequently, our Board of Directors approved recommendation of such interim dividend and second interim dividend as final dividend for Financial Year 2016 pursuant to the resolution passed in their meeting held on May 9, 2016, which was confirmed by our shareholders pursuant to the resolution passed in their AGM held on July 15, 2016.
- (2) Our Board declared an interim dividend of ₹ 2 per equity share pursuant to the resolution passed in their meeting held on April 25, 2018. Subsequently, our Board of Directors approved recommendation of such interim dividend as final dividend for Financial Year 2018 pursuant to resolution passed in their meeting held on May 24, 2018, which was confirmed by our shareholders pursuant to resolution passed in their AGM held on May 31, 2018.
- (3) Our Board declared an interim dividend of ₹ 3.75 per equity share pursuant to the resolution passed in their meeting held on February 5, 2019.

## **SECTION V: FINANCIAL INFORMATION**

### **FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITOR'S REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

**To,**  
**The Board of Directors of**  
**Powerica Limited**  
9<sup>th</sup> Floor, Bakhtawar,  
Nariman Point,  
Mumbai - 400 021

Dear Sirs,

1. We have examined, the attached Restated Consolidated Financial Information of Powerica Limited (the "Company"), its subsidiaries (collectively referred to as "the Group") and its associate which comprise of the Restated Consolidated Financial Information mentioned in paragraph 4 and other Restated Consolidated financial information mentioned in paragraph 9 below (collectively, the "Restated Consolidated Financial Information") for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed offer of equity shares of the Company prepared in terms of the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act") read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in pursuance of provisions of Securities and Exchange Board of India Act, 1992 "ICDR Regulations" and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 12 below. The management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The management is also responsible for identifying and ensuring that the Company complies with the Act and the ICDR Regulations.
3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 22, 2019 in connection with the proposed initial public offer through offer for sale (IPO) of the Company;
  - b) The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - d) The requirements of Section 26 of the Act and ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. We have examined the following Restated Consolidated Financial Information of the Group and its associate:
  - a) The Restated Consolidated Statements of Assets and Liabilities of the Group and its associate as at September 30 2018, March 31 2018, March 31 2017 and March 31 2016 as set out in Annexure-I;
  - b) The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Group and its associate for half year ended September 30 2018 and for the years ended March 31 2018, March 31 2017 and March 31 2016 as set out in Annexure-II;

- c) The Restated Consolidated Statement of Cash Flows of the Group for the half year ended September 30 2018 and for the years ended March 31 2018, March 31 2017 and March 31 2016 as set out in Annexure-III; and
  - d) The Restated Consolidated Statement of Changes in Equity of the Group and its associate for the half year ended September 30 2018 and for the years ended March 31 2018, March 31 2017 and March 31 2016 as set out in Annexure-IV.
5. These Restated Consolidated Financial Information have been prepared and complied by the management from the following:
- a) the audited special purpose interim consolidated financial statements of the Group and its associate as at and for the half year ended September 30, 2018, prepared in accordance with Indian Accounting Standard ("Ind-AS") 34 "Interim Financial Reporting", specified under section 133 of the Act and other accounting principles generally accepted in India, which have been approved by the Company's Board of Directors at their meeting held on December 14, 2018.
  - b) the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2018 and 2017, prepared in accordance with the Ind-AS and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act, which have been approved by the Company's Board of Directors at their meeting held on May 24, 2018 and September 4, 2017 respectively.
  - c) the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 (previous GAAP), and the other relevant provisions of the Act which has been approved by the Board of Directors at their Board meeting held on May 9, 2016. These audited consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by the predecessor auditors, Kapoor & Parekh Associates.

The audit for the years ended March 31, 2017 and 2016 was conducted by the predecessor auditors, Kapoor & Parekh Associates, and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years i.e. March 31, 2017 and 2016 are based solely on the report submitted by Kapoor & Parekh Associates.

6. We did not audit the financial statements of the subsidiaries and associate for the half year ended September 30, 2018 and for the years ended March 31, 2018, 2017 and 2016, whose share of total assets, total revenues and net cash flows and Groups' share of net loss, included in the Restated Consolidated Financial Information , for the relevant years is tabulated below:

Particulars	September 30, 2018	March 31, 2018	March 31, 2017	March 31, 2016	₹ in Million
Applicable GAAP	Ind AS	Ind AS	Ind AS	Ind AS	
Total Assets	64.24	51.93	29.87	282.44	
Total Revenues	8.78	8.68	0.22	Nil	
Net Cash Flows	(0.78)	7.65	(4.25)	5.00	
Group's Share of net loss	(2.85)	(0.02)	Nil	Nil	

These financial statements have been audited by another firm of Chartered Accountants Kapoor & Parekh Associates, whose reports have been furnished to us by the Company and our opinion in so far as it relates to the amounts included in these Restated Consolidated Financial Information are based solely on the report of other auditors.

These other auditors as mentioned in paragraphs 5 and 6 (of the Company/Group, subsidiaries and associate), have confirmed that the Restated Consolidated Financial Information:

- a) have been made after incorporating adjustments for the material amounts in respective financial years to which they relate; and
  - b) do not contain any extraordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, ICDR Regulations and the Guidance Note, we report that:
- a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Group, as at and for the half year ended September 30, 2018 and year ended March 31, 2018 examined by us and for the years ended March 31, 2017 and 2016 under Ind AS examined and reported upon by Kapoor & Parekh Associates., on which reliance has been placed by us, as set out in Annexure 1 to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Annexure 40: Material Adjustments to Restated Consolidated Financial Information and notes thereon.
  - b) The Restated Consolidated Summary Statement of Profit and Loss (including other comprehensive income) of the Group, for the half year ended September 30, 2018 and year ended March 31, 2018 examined by us and for the years ended March 31, 2017 and 2016 under Ind AS examined and reported upon by Kapoor & Parekh Associates., on which reliance has been placed by us, as set out in Annexure-2 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 40: Material Adjustments to Restated Consolidated Financial Information and notes thereon.
  - c) The Restated Consolidated Summary Statement of Cash Flows of the Group, for the half year ended September 30, 2018 and year ended March 31, 2018 examined by us and for the years ended March 31, 2017 and 2016 under Ind AS examined and reported upon by Kapoor & Parekh Associates., on which reliance has been placed by us, as set out in Annexure 3 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 40: Material Adjustments to Restated Consolidated Financial Information and notes thereon.
  - d) The Restated Consolidated Summary Statement of Changes in Equity of the Group, for the half year ended September 30, 2018 and year ended March 31, 2018 examined by us and for the years ended March 31, 2017 and 2016 under Ind AS examined and reported upon by Kapoor & Parekh Associates., on which reliance has been placed by us, as set out in Annexure 4 to this report are after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure 40: Material Adjustments to Restated Consolidated Financial Information and notes thereon.
8. Based on the above and according to the information and explanations given to us, and also as per reliance placed on the reports submitted by predecessor auditors, Kapoor and Parekh Associates for respective years, we further report that the Restated Consolidated Financial Information:
- a) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
  - b) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information and do not contain any qualification requiring adjustments.
  - c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

9. We have also examined the following Restated Consolidated financial information of the Group set out in the Annexures, prepared by the management and approved by the Board of Directors on February 5, 2019 as at and for the half year ended September 30, 2018 and for years ended March 31, 2018, 2017 and 2016. In respect of years ended March 31, 2017 and 2016 these information have been included based upon the report submitted by Kapoor and Parekh Associates and relied upon by us:
- (i) Restated Consolidated Summary Statement of Restated Consolidated Summary Statement of Property, Plant and Equipments, Intangible Assets, Investment Property and Capital Work in Progress as set out in Annexure 7
  - (ii) Restated Consolidated Summary Statement of Non - Current Investments as set out in Annexure 8
  - (iii) Restated Consolidated Summary Statement of Non - Current Loans as set out in Annexure 9
  - (iv) Restated Consolidated Summary Statement of Non - Current Other Financial Assets as set out in Annexure 10
  - (v) Restated Consolidated Summary Statement of Other Non - Current Assets as set out in Annexure 11
  - (vi) Restated Consolidated Summary Statement of Inventories as set out in Annexure 12
  - (vii) Restated Consolidated Summary Statement of Current Financial Investments as set out in Annexure 13
  - (viii) Restated Consolidated Summary Statement of Trade Receivables as set out in Annexure 14
  - (ix) Restated Consolidated Summary Statement of Cash and Cash Equivalents as set out in Annexure 15
  - (x) Restated Consolidated Summary Statement of Other Bank Balance as set out in Annexure 16
  - (xi) Restated Consolidated Summary Statement of Current Loans as set out in Annexure 17
  - (xii) Restated Consolidated Summary Statement of Current Other Financial Assets as set out in Annexure 18
  - (xiii) Restated Consolidated Summary Statement of Other Current Assets as set out in Annexure 19
  - (xiv) Restated Consolidated Summary Statement of Share Capital as set out in Annexure 20
  - (xv) Restated Consolidated Summary Statement of Non - Current Financial Liabilities – Borrowings Annexure 22
  - (xvi) Restated Consolidated Summary Statement of Non - Current Other Financial Liabilities as set out in Annexure 23
  - (xvii) Restated Consolidated Summary Statement of Other Non - Current Liabilities as set out in Annexure 24
  - (xviii) Restated Consolidated Summary Statement of Other Non - Current Provisions Annexure 25
  - (xix) Restated Consolidated Summary Statement of Current Financial Liabilities - Borrowings Annexure 26
  - (xx) Restated Consolidated Summary Statement of Trade Payables as set out in Annexure 27
  - (xxi) Restated Consolidated Summary Statement of Current Other Financial Liabilities as set out in Annexure 28
  - (xxii) Restated Consolidated Summary Statement of Other Current Liabilities as set out in Annexure 29
  - (xxiii) Restated Consolidated Summary Statement of Current Provisions as set out in Annexure 30
  - (xxiv) Restated Consolidated Summary Statement of Revenue from Operations as set out in Annexure 31
  - (xxv) Restated Consolidated Summary Statement of Other Income as set out in Annexure 32
  - (xxvi) Restated Consolidated Summary Statement of Changes in Inventory of Finished Goods, Work in Progress & Stock-in-Trade as set out in Annexure 33
  - (xxvii) Restated Consolidated Summary Statement of Employee Benefit Expenses as set out in Annexure 34
  - (xxviii) Restated Consolidated Summary Statement of Finance Cost as set out in Annexure 35
  - (xxix) Restated Consolidated Summary Statement of Depreciation & Amortisation as set out in Annexure 36
  - (xxx) Restated Consolidated Summary Statement of Other Expenses as set out in Annexure 37
  - (xxxi) Restated Consolidated Summary Statement of Tax expense as set out in Note 10 to Annexure 38
  - (xxxii) Summary of Significant Accounting Policies as set out in Annexure 5
  - (xxxiii) Statement of Additional Information to the Restated Consolidated Financial information as set out in Annexure 38 & Annexure 39
  - (xxxiv) Statement of Related Party Disclosures as set out in note 9 to Annexure 38
  - (xxxv) Material Adjustments to Restated Consolidated Financial Information and notes thereon as set out in Annexure 40

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the predecessor auditors, Kapoor & Parekh Associates; in our opinion, the Restated Consolidated Financial Information and the above restated financial information contained in Annexures 6 to 43 accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure 5, are prepared after making adjustments and regroupings as considered appropriate [Refer Annexure 40] and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with ICDR Regulations and the Guidance Note.

10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Maharashtra in connection with the IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

**For Jayantilal Thakkar & Co.  
Chartered Accountants  
(Firm Reg. No. 104133W)**

**Viral A. Merchant  
Partner  
Membership No. 116279**

**Mumbai,  
Dated: February,5, 2019**

**ANNEXURE - 1**  
**Restated Consolidated Summary Statement of Assets and Liabilities**

Particulars	Annexure No.	₹ in Million			
		As at			
		30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>ASSETS:</b>					
<b>Non-Current Assets:</b>					
Property, Plant and Equipment	7	6,422.84	6,706.60	7,514.86	7,373.78
Capital Work-in-Progress	7	407.75	157.37	76.18	378.74
Goodwill on Consolidation		0.23	0.23	0.23	-
Investment Property	7	-	-	4.08	13.56
Intangible Assets	7	24.86	30.67	12.76	9.89
Financial Assets:					
Investments	8	483.36	830.47	1,265.52	1,327.09
Loans	9	8.62	3.74	4.30	9.24
Other Financial Assets	10	89.96	36.33	79.12	70.13
Non-Current Tax Assets (Net)		86.78	91.92	39.48	76.76
Other Non-Current Assets	11	302.40	433.19	200.62	64.10
		<b>7,826.80</b>	<b>8,290.52</b>	<b>9,197.15</b>	<b>9,323.29</b>
<b>Current Assets:</b>					
Inventories	12	1,266.30	1,145.77	1,106.98	1,174.22
Financial Assets:					
Investments	13	1,266.68	521.10	922.95	1,137.33
Trade Receivables	14	2,171.35	1,904.13	1,734.38	1,677.92
Cash and Cash Equivalents	15	208.76	73.61	391.72	154.48
Other Bank Balances	16	13.32	12.07	16.60	12.66
Loans	17	185.26	54.82	11.18	10.35
Other Financial Assets	18	124.05	117.30	64.26	62.05
Other Current Assets	19	660.44	566.69	250.74	541.06
		<b>5,896.16</b>	<b>4,395.49</b>	<b>4,498.81</b>	<b>4,770.07</b>
		<b>13,722.96</b>	<b>12,686.01</b>	<b>13,695.96</b>	<b>14,093.36</b>
<b>Total Assets</b>					
<b>Equity and Liabilities:</b>					
<b>Equity:</b>					
Equity Share Capital	20	190.46	76.18	76.18	84.25
Other Equity	4	9,610.24	9,253.07	8,289.81	7,967.60
		<b>9,800.70</b>	<b>9,329.25</b>	<b>8,365.99</b>	<b>8,051.85</b>
<b>Liabilities:</b>					
<b>Non-Current Liabilities:</b>					
Financial Liabilities:					
Borrowings	22	57.64	172.91	403.46	979.33
Other Financial Liabilities	23	3.06	3.06	2.79	1.49
Other Non-Current Liabilities	24	219.01	224.10	235.58	-
Other Non-Current Provisions	25	31.84	37.74	30.47	16.93
Deferred Tax Liabilities (Net)		32.29	186.44	314.45	483.62
		<b>343.84</b>	<b>624.25</b>	<b>986.75</b>	<b>1,481.37</b>
<b>Current Liabilities:</b>					
Financial Liabilities:					
Borrowings	26	77.48	169.64	1,000.00	0.03
Trade Payables:	27				
Total outstanding dues of Micro Enterprises and Small Enterprises		34.79	41.30	26.48	22.18
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,459.31	1,404.97	1,231.24	1,532.99
Other Financial Liabilities	28	839.52	447.81	1,404.78	2,108.45
Other Current Liabilities	29	1,163.92	651.96	665.49	886.05
Current Provisions	30	3.40	16.83	15.23	10.44
		<b>3,578.42</b>	<b>2,732.51</b>	<b>4,343.22</b>	<b>4,560.14</b>
		<b>13,722.96</b>	<b>12,686.01</b>	<b>13,695.96</b>	<b>14,093.36</b>
<b>Total Equity &amp; Liabilities</b>					

The above statement should be read with the Company Overview and Significant Accounting Policies appearing in Annexure-5, Notes to the Restated Consolidated Financial Information appearing in Annexure-6 to 39, Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure-40, Restated Consolidated Statement of Accounting Ratios appearing in Annexure-41 and Restated Consolidated Statement of Dividend Paid appearing in Annexure-42.

**As per our attached report of even date**

**For Jayantilal Thakkar & Co.  
Chartered Accountants**

**For and on behalf of the Board**

**Viral A. Merchant  
Partner**

**Naresh Chander Oberoi  
Chairman & Managing Director  
DIN: 00009000**

**Bharat Naresh Oberoi  
Joint Managing Director  
DIN: 00083664**

**Vijay Kumar  
Chief Financial Officer**

**Komal Manoj Nagdev  
Company Secretary**

Mumbai, February 5, 2019

**ANNEXURE - 2**

**Restated Consolidated Summary Statement of Profit & Loss**

Particulars	Annexure No.	₹ in Million			
		Year Ended			
		30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Income</b>					
Revenue from Operations	31	6,577.07	12,631.35	14,062.92	12,991.24
Other Income	32	88.75	281.82	352.51	287.19
		<b>6,665.82</b>	<b>12,913.17</b>	<b>14,415.43</b>	<b>13,278.43</b>
<b>Expenses:</b>					
Cost of Raw Materials Consumed		3,652.96	7,305.55	7,889.94	7,431.78
Purchase of Stock-In-Trade		443.11	799.85	774.19	703.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in Trade	33	(0.20)	(24.89)	60.73	(5.64)
Excise Duty on Sales		-	253.96	991.58	988.74
Employee Benefit Expense	34	494.56	982.97	957.53	788.23
Finance Cost	35	20.80	101.33	221.91	256.21
Depreciation & Amortization Expense	36	411.97	889.20	891.36	995.44
Other Expenses	37	1,102.67	1,519.79	1,329.84	1,157.30
		<b>6,125.87</b>	<b>11,827.76</b>	<b>13,117.08</b>	<b>12,315.16</b>
<b>Profit Before Share (Loss) of Associate</b>		<b>539.95</b>	<b>1,085.41</b>	<b>1,298.35</b>	<b>963.27</b>
<b>Share of Profit (Loss) of Associate</b>		(2.85)	(0.02)	-	-
<b>Profit Before Tax, as Restated</b>		<b>537.10</b>	<b>1,085.39</b>	<b>1,298.35</b>	<b>963.27</b>
Tax Expense		129.33	254.33	283.74	334.68
Current Tax		-68.02	(128.55)	(143.94)	(137.89)
Deferred Tax Charge (Credit)		-86.61	(0.93)	(22.16)	-
MAT Credit Entitlement					
<b>Profit for the Period, as Restated</b>		<b>562.40</b>	<b>960.54</b>	<b>1,180.71</b>	<b>766.48</b>
<b>Other Comprehensive Income</b>					
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent years:</b>		-	-	-	-
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:</b>					
Re-measurement gains (losses) on defined benefits plans		1.37	4.16	(8.66)	(0.59)
Income Tax Effect on above		(0.48)	(1.44)	3.00	0.20
<b>Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years</b>		<b>0.89</b>	<b>2.72</b>	<b>-5.66</b>	<b>-0.39</b>
<b>Other Comprehensive Income for the period, net of tax</b>		<b>0.89</b>	<b>2.72</b>	<b>-5.66</b>	<b>-0.39</b>
<b>Total Comprehensive Income for the period, net of tax, as Restated</b>		<b>563.29</b>	<b>963.26</b>	<b>1,175.05</b>	<b>766.09</b>
There are no Exceptional Items and Discontinuing Operations					
<b>Earnings per share</b>					
Basic & Diluted (₹)	41	14.79 *	25.29	29.33	18.19

\* Not Annualised

**Note:**

Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, Central Excise, Value Added Tax (VAT) etc have been replaced by GST. In accordance with IND AS 115 on Revenue from Contracts with Customers and Schedule III of the Companies Act, 2013, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect Taxes, Revenue from Operations for the period ended 30.09.2018 & year ended 31.03.2018 is not comparable with previous years. Following additional information is given to facilitate such comparison:

	<b>30.09.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Revenue from Operations (Gross)	6,577.07	12,631.35	14,062.92	12,991.24
Less: Excise Duty	-	253.96	991.58	988.74
Revenue from Operations (Net)	<b>6,577.07</b>	<b>12,377.39</b>	<b>13,071.34</b>	<b>12,002.50</b>

The above statement should be read with the Company Overview and Significant Accounting Policies appearing in Annexure-5, Notes to the Restated Consolidated Financial Information appearing in Annexure-6 to 39, Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure-40, Restated Consolidated Statement of Accounting Ratios appearing in Annexure-41 and Restated Consolidated Statement of Dividend Paid appearing in Annexure-42.

**As per our attached report of even date**

**For Jayantilal Thakkar & Co.  
Chartered Accountants**

**For and on behalf of the Board**

**Viral A. Merchant  
Partner**

**Naresh Chander Oberoi  
Chairman & Managing Director  
DIN: 00009000**

**Bharat Naresh Oberoi  
Joint Managing Director  
DIN: 00083664**

**Vijay Kumar  
Chief Financial Officer**

**Komal Manoj Nagdev  
Company Secretary**

**Mumbai, February 5, 2019**

**ANNEXURE - 3 Restated Consolidated Summary Statement of Cash Flows**

Particulars		Period Ended			
		30.09.2018	31.03.2018	31.03.2017	(₹ in Million) 31.03.2016
<b>A</b>	<b>Cash flows from Operating Activities</b>				
	Net Profit before Tax, as Restated	537.10	1,085.41	1,298.35	963.27
	Adjustments for:				
	Depreciation	411.97	889.20	891.36	995.44
	Net (Gain) Loss on Sale of Property, Plant and Equipments	(8.58)	(108.98)	(26.54)	(17.85)
	Net (Gain) Loss on Sale of Investment Properties	-	(5.30)	(3.16)	-
	Dividend from Current Investments	(0.77)	(0.01)	(0.09)	-
	Sundry Balances Written off (Back)	7.55	12.03	2.05	17.46
	Provision for Doubtful Debts	31.26	(3.34)	0.26	12.94
	Net (Gain) Loss on Financial Assets measured at FVTPL	(41.23)	(99.85)	(214.97)	(153.97)
	Net (Gain) Loss on Derivative Contracts measured at FVTPL	(9.43)	(3.09)	(13.08)	9.03
	Gain on Disposal of Subsidiary	-	(1.18)	(12.60)	-
	Unrealised Foreign Variation Loss (Net)	5.50	1.47	(94.89)	(175.41)
	Interest Expense	20.80	101.33	221.91	256.21
	Interest Income	(21.39)	(41.46)	(45.61)	(73.95)
	<b>Operating Profit before Working Capital Changes</b>	932.78	1,826.24	2,002.99	1,833.17
	Adjustments for:				
	Decrease (Increase) in Trade Receivable	(297.36)	(175.53)	(61.12)	(367.87)
	Decrease (Increase) in Other Non-Current Financial Assets	(58.51)	(1.90)	0.42	(10.65)
	Decrease (Increase) in Other Non-Current Assets	(1.87)	4.07	(2.29)	1.41
	Decrease (Increase) in Other Current Financial Assets	(0.44)	2.40	1.59	1.38
	Decrease (Increase) in Other Current Assets	(94.96)	(318.54)	290.51	(289.50)
	Decrease (Increase) in Inventories	(120.53)	(38.79)	67.24	207.50
	Increase (Decrease) in Other Non-Current Financial Liabilities	-	0.27	1.30	(3.23)
	Increase (Decrease) in Other Non-Current Liabilities	(5.08)	(11.48)	235.58	-
	Increase (Decrease) in Other Current Financial Liabilities	376.14	(22.54)	24.90	51.07
	Increase (Decrease) in Other Current Liabilities	507.26	(14.89)	(220.56)	182.84
	Increase (Decrease) in Current Provisions	(12.06)	5.76	(3.87)	6.36
	Increase (Decrease) in Non-Current Provisions	(5.90)	7.26	13.55	0.89
	Increase (Decrease) in Trade Payables	47.61	187.95	(296.05)	399.54
	<b>Cash Generated from Operations</b>	1,267.08	1,450.28	2,054.19	2,012.91
	Interest Received	22.47	39.47	49.59	71.69
	Direct Taxes (Paid) Refund (Net)	(124.13)	(306.82)	(246.53)	(171.97)
	<b>Net Cash from Operating Activities</b>	(A) 1,165.42	1,182.93	1,857.25	1,912.63
<b>B</b>	<b>Cash flows from Investing Activities</b>				
	Purchase of Property, Plant and Equipment	(231.95)	(1,018.65)	(287.86)	(565.31)
	Sale of Property, Plant and Equipment	16.54	148.88	80.90	22.46
	Sale of Investment Property	-	9.26	12.20	-
	Purchase of Intangibles	(0.03)	(29.54)	(5.43)	(5.17)
	Loan Given to Associates	(128.40)	(48.75)	-	-
	(Purchase) Sale of Current Investments	(736.19)	591.61	397.49	709.68
	(Purchase) Sale of Non - Current Investments	378.94	345.14	93.42	(1,049.72)
	Gain on Disposal of Subsidiary	-	1.18	12.60	-
	Decrease (Increase) in Bank Balances other than Cash & Cash Equivalents	(1.25)	4.53	(3.94)	19.82
	Dividend from Current Non-Trade Term Investments	0.77	0.01	0.09	-
	<b>Net Cash from Investing Activities</b>	(B) (701.57)	3.67	299.47	(868.24)
<b>C</b>	<b>Cash flows from Financing Activities</b>				
	Repayment of Borrowings	(215.52)	(1,564.19)	(1,834.22)	(422.05)
	Proceeds from Borrowings	-	169.77	1,000.00	-
	Buy Back of Equity Shares	-	-	(860.90)	-
	Interest Paid	(21.34)	(110.29)	(224.36)	(262.31)
	Dividend & Tax on Dividend	(91.84)	-	-	(506.98)
	<b>Net Cash from Financing Activities</b>	(C) (328.70)	(1,504.71)	(1,919.48)	(1,191.34)

<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>135.15</b>	<b>(318.11)</b>	<b>237.24</b>	<b>(146.95)</b>
Cash and Cash Equivalents as at the beginning of the year	73.61	391.72	154.48	301.43
Cash and Cash Equivalents as at the end of the year	208.76	73.61	391.72	154.48

- 1) The cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7 "Statement of Cash Flows".
- 2) Figures in brackets indicates outflows.

**Note:**

The above statement should be read with the Company Overview and Significant Accounting Policies appearing in Annexure-5, Notes to the Restated Consolidated Financial Information appearing in Annexure-6 to 39, Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure-40, Restated Consolidated Statement of Accounting Ratios appearing in Annexure-41 and Restated Consolidated Statement of Dividend Paid appearing in Annexure-42.

**As per our attached report of even date**

**For Jayantilal Thakkar & Co.  
Chartered Accountants**

**For and on behalf of the Board**

**Viral A. Merchant  
Partner**

**Naresh Chander Oberoi  
Chairman & Managing Director  
DIN: 00009000**

**Bharat Naresh Oberoi  
Joint Managing Director  
DIN: 00083664**

**Vijay Kumar  
Chief Financial Officer**

**Komal Manoj Nagdev  
Company Secretary**

**Mumbai, February 5, 2019**

**ANNEXURE – 4 Restated Consolidated Summary Statement of Changes in Equity**

**A. Equity Share Capital**

Particulars	(₹ in Million)								
	Balance as at 01.04.2015	Changes in Equity Share Capital during the year	Balance as at 31.03.2016	Changes in Equity Share Capital during the year	Balance as at 31.03.2017	Changes in Equity Share Capital during the year	Balance as at 31.03.2018	Changes in Equity Share Capital during the period	Balance as at 30.09.2018
Authorised	200.00	-	200.00	-	200.00	-	200.00	50.00	250.00
Issued, Subscribed & Paid up	84.25	-	84.25	8.07	76.18	-	76.18	114.28	190.46

**B. Other Equity**

Particulars	Capital Reserve	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Other Items of other Comprehensive income(Re-measurement gains (losses) on defined benefits plans)	Total Equity
As at 01.04.2015	1.39	9.36	621.08	1,068.82	6,007.84	-	7,708.49
Profit for the Period	-	-	-	-	766.48	-	766.48
Other Comprehensive Income	-	-	-	-	-	-0.39	-0.39
<b>Total Comprehensive Income</b>	<b>1.39</b>	<b>9.36</b>	<b>621.08</b>	<b>1,068.82</b>	<b>6,774.32</b>	<b>-0.39</b>	<b>8,474.58</b>
Transfer to General Reserve	-	-	-	68.01	-68.01	-	-
Dividend Paid	-	-	-	-	-421.23	-	-421.23
Dividend Distribution Tax	-	-	-	-	-85.75	-	-85.75
As at 31.03.2016	1.39	9.36	621.08	1,136.83	6,199.33	-0.39	7,967.60
Profit for the Period	-	-	-	-	1,180.71	-	1,180.71
Other Comprehensive Income	-	-	-	-	-	-5.66	-5.66
<b>Total Comprehensive Income</b>	<b>1.39</b>	<b>9.36</b>	<b>621.08</b>	<b>1,136.83</b>	<b>7,380.04</b>	<b>-6.05</b>	<b>9,142.65</b>
Utilised for Buyback of Equity Shares	-	-	-621.08	-116.59	-	-	-737.67
Transfer to Capital Redemption Reserve	-	8.07	-	-8.07	-	-	-
Tax on Buyback of Shares	-	-	-	-115.17	-	-	-115.17
As at 31.03.2017	1.39	17.43	-	897.00	7,380.04	-6.05	8,289.81
Profit for the Period	-	-	-	-	960.54	-	960.54
Other Comprehensive Income	-	-	-	-	-	2.72	2.72
As at 31.03.2018	1.39	17.43	-	897.00	8,340.58	(3.33)	9,253.07
Issue of Bonus Shares		(17.43)	-	(96.85)	-	-	(114.28)
Profit for the Period	-	-	-	-	562.40	-	562.40
Other Comprehensive Income	-	-	-	-	-	0.89	0.89
<b>Total Comprehensive Income</b>	<b>1.39</b>	<b>-</b>	<b>-</b>	<b>800.14</b>	<b>8,902.98</b>	<b>(2.43)</b>	<b>9,702.08</b>
Dividend Paid	-	-	-	-	(76.18)	-	(76.18)
Dividend Distribution Tax	-	-	-	-	(15.66)	-	(15.66)
As at 30.09.2018	1.39	-	-	800.14	8,811.14	(2.43)	9,610.24

The above statement should be read with the Company Overview and Significant Accounting Policies appearing in Annexure-5, Notes to the Restated Consolidated Financial Information appearing in Annexure-6 to 39, Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure-40, Restated Consolidated Statement of Accounting Ratios appearing in Annexure-41 and Restated Consolidated Statement of Dividend Paid appearing in Annexure-42.

**As per our attached report of even date**

**For Jayantilal Thakkar & Co.**

**Chartered Accountants**

**For and on behalf of the Board**

**Viral A. Merchant**  
**Partner**

**Naresh Chander Oberoi**  
**Chairman & Managing Director**  
DIN: 00009000

**Bharat Naresh Oberoi**  
**Joint Managing Director**  
DIN: 00083664

**Vijay Kumar**  
**Chief Financial Officer**

**Komal Manoj Nagdev**  
**Company Secretary**

**Mumbai, February 5, 2019**

## **ANNEXURE - 5**

### **1. Corporate Information**

Powerica Limited is a public limited company incorporated and domiciled in India. The registered office of the company is located at 9<sup>th</sup> Floor, Bakhtawar, Nariman Point, Mumbai - 400 021.

The Group is engaged in business of manufacturing, trading and other services related to diesel generating sets and generation of electricity from wind turbine generators.

### **2. Basis of preparation**

The Restated Consolidated Statement of Assets and Liabilities of the Company as at 30<sup>th</sup> September, 2018, 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016, the related Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash Flows for the period ended 30<sup>th</sup> September, 2018 & year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 (hereinafter collectively referred to as "Restated Consolidated Financial Information") have been extracted by the Management from the Audited Consolidated Financial Statements of the Company for the period ended 30<sup>th</sup> September, 2018 and year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016.

These Restated Consolidated Financial Statements have been prepared for the proposed Public Offer (referred to as the "Offer"), in accordance with the requirements of:

- a) Section 26 of Chapter III of the Act and
- b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), issued by the Securities and Exchange Board of India ("SEBI") on 11<sup>th</sup> September, 2018 in pursuance of the Securities and Exchange Board of India Act, 1992.
- c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

These Restated Consolidated Financial Statements have been extracted by the Management from the Audited Consolidated Financial Statements and:

- a) there were no audit qualifications on these financial statements which requires an adjustment in the financial statements,
- b) there were no changes in accounting policies during the years of these financial statements,
- c) material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- d) adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated Financial Statements of the Group as at and for the half year ended 30<sup>th</sup> September 2018 and the requirements of the SEBI Regulations, and
- e) the resultant tax impact on above adjustments has been appropriately adjusted in deferred tax in the respective years.

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company.

The Restated Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The Interim Consolidated financial statements of the Group and its Associate as at and for six months ended 30<sup>th</sup> September, 2018 have been prepared in accordance with the measurement and recognition principles of Ind AS 34 'Interim Financial Reporting', prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

For all periods upto and including the year ended 31st March, 2016, the Group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') immediately before adopting Ind AS. The consolidated financial statements for the year ended 31st March, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Group's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Annexure 6.

The accounting policies are applied consistently to all the periods presented in the financial statements. The consolidated financial statements have been prepared on an accrual basis and going concern basis and under the historical cost basis unless otherwise indicated.

The consolidated financial statements are prepared in Indian Rupees ('INR or 'Rupees' or 'Rs.' or '₹') which is the functional currency for Group.

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million except share and per share data in terms of Schedule III. Amount less than ₹ 5,000/- are shown as actual.

### **3. Current versus non-current classification**

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Deferred tax assets and liabilities, as applicable are classified as non-current assets and liabilities respectively.

### **4. Significant Accounting Policies**

#### **4.1 Principles of Consolidation:**

##### **(a) Subsidiaries**

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Company is exposed to, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Company retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

**(b) Associates**

Associates are those entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entities but is not control or joint control of those policies. Significant influence is presumed to exist when the Company holds more than 20% of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Company does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investments in such entities are accounted by the equity method of accounting. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

**(c) Basis of Consolidation**

The Consolidated Financial Statements comprise the financial statement of the Holding Company and its wholly owned subsidiaries as disclosed in Annexure 38-1. The financial statements of the Holding Company and its wholly owned subsidiaries have been consolidated on a line by line basis by adding together the book values of like, items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Groups' independent financial statements. The Statement of Profit and Loss and each component of other comprehensive income are attributed to equity shareholders of the Holding Company of the Group.

The financial statements of the subsidiaries used in consolidation are drawn upto the same reporting date as that of the Holding Company.

## **4.2 Property, plant and equipment**

**(a) Recognition and measurement:**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other cost directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

All identifiable Revenue expenses including interest incurred in respect of various projects/ expansion, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work-in-Progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

**(b) Transition to Ind AS:**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1<sup>st</sup> April, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

**(c) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

**(d) Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives prescribed under Schedule II to the Companies Act, 2013 using the diminishing balance method, and is recognised in the statement of profit or loss. Freehold land is not depreciated. Premium on leasehold land has been amortised over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use (disposed of).

### **4.3 Intangible Assets**

**(a) Recognition and measurement**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

**(b) Amortisation**

Software is amortised over a period of three years on straight line basis from the date they are available for intended use, subject to impairment test. Rights of way are amortised over the period of agreement of right to use.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**(c) De-recognition**

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is de-recognised.

#### **(d) Transition to Ind AS**

On transition to Ind AS, Group has elected to continue with the carrying value of all of intangible assets recognised as at 1<sup>st</sup> April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### **4.4 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial Assets:**

###### **Classification:**

Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

###### **Initial recognition and measurement:**

All financial assets are recognised initially at fair value and in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

###### **Subsequent measurement:**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value (FVTPL / FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

###### **Financial Assets measured at amortised cost (net of any write down for impairment, if any):**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

**Financial Assets measured at Fair Value through Profit or Loss ("FVTPL"):** Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

###### **Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI"):**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

**Investment in Equity Instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

**Investment in Debt Instruments:**

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

**De-recognition of Financial Assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or Group has transferred its rights to receive cash flows from the asset.

**Impairment of Financial Assets:**

In accordance with Ind - AS 109, Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

**Financial Liabilities:****Classification:**

Group classifies all financial liabilities as subsequently measured at amortised cost or FVTPL.

**Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**De-recognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**Derivative Financial Instrument:**

Group uses derivative financial instruments, such as forward currency contracts to mitigate its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**4.5 Impairment of Non-Financial Assets:**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

**4.6 Inventories:**

Raw materials are valued at cost or estimated net realisable value. Cost for this purpose includes basic cost of materials and all identifiable direct cost and includes taxes and duties and is net of eligible credits under CENVAT/VAT/GST schemes.

Finished goods are valued at lower of cost or estimated realisable value. Cost for this purpose comprises Raw Material cost and proportionate overheads allocated on the assumption of normal operating capacity.

Traded goods are valued at lower of cost or estimated realisable value.

Work-in-progress are valued at estimated cost.

Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and other items held for use in production of inventories are not written down, if the finished products in which they will be used are expected to be sold at or above cost.

**4.7 Cash and Cash Equivalent:**

Cash and Cash Equivalents comprise of cash on hand and cash at bank including fixed deposit/highly liquid investments with original maturity period of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**4.8 Cash Flow Statements:**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of Group are segregated.

#### **4.9 Foreign Currency Transactions:**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are re-measured at the exchange rate prevailing on the balance sheet date. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the Statement of Profit and Loss except for:

Exchange differences on translation or settlement of long term foreign currency monetary items in respect of loans borrowed before 1<sup>st</sup> April 2016 at rates different from those at which they were initially recorded or reported in the previous financial statements, insofar as it relates to acquisition of depreciable assets, are adjusted to the cost of the assets and depreciated over remaining useful life of such assets.

#### **4.10 Revenue Recognition:**

Revenue from contracts with customers for sale of goods and provision of services. Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Variable consideration includes volume discounts, price concessions, liquidity damages, incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjust estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

#### **Sale of Products:**

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Group collects GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

**Rendering of Services:**

Performance obligation in case of erection contracts is satisfied over the period of time. Since the company creates an asset that the customer controls as the asset is created and the company has an enforceable right to payment for performance completed to date if it is meets the agreed specifications. Revenue from such contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "Unbilled Revenues" and billing in excess of contract revenue is reflected under "Contract Liabilities".

Dividend income is recognised when right to receive dividend is established. Interest income is recognised on effective interest method. Insurance and other claims are recognised as a revenue on certainty of receipt on prudent basis.

Sale of Certified Emission Reductions (CER's) is recognised as income on the delivery of the CER's to the customer's account as evidenced by the receipt of confirmation of execution of delivery instructions.

**4.11. Employee Benefits:****In case of Holding Company:**

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex gratia are recognised during the period in which the employee renders related service.

**(i) Defined benefit plans**

Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with Company.

Liabilities with regard to Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the Projected Unit Credit Method.

Company fully contributes all ascertained liabilities to the Powerica Limited Employees Group Gratuity Assurance Scheme (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. The effect of any plan amendments are recognized in the statement of profit and loss.

**(ii) Defined contribution plans:**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. Company pays provident fund contributions to publicly administered provident funds as per local regulations. Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(iii) Compensated absences:**

Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised liability at the present value of the defined benefit obligation at the balance sheet date.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

**In case of Subsidiaries:**

All employee benefits payable wholly within twelve months rendering service are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex gratia are recognised during the period in which the employee renders related service.

**4.12. Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**4.13. Lease:**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

**4.14. Earnings Per Equity Share:**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **4.15. Income Taxes:**

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### **4.16. Dividends to Shareholders:**

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

#### **4.17. Provisions, Contingent Liabilities, Contingent Assets and Commitments:**

Provisions are recognised when Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If there is any expectation that some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

- possible obligation which will be confirmed only by future events not wholly within the control of the Company, or
- present obligations arising from past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### **4.18. Fair Value:**

The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or,
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs that are unobservable for the asset or liability

For assets and liabilities that are recognised in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **4.19. Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

#### **4.20. Investment Property:**

Investment property is property either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment property recognized as at 1<sup>st</sup> April, 2015 measured as per the previous GAAP and use the carrying value as the deemed cost of such investment property.

Depreciation is calculated on investment properties over estimated useful lives of relevant type of buildings prescribed under Schedule II to the Companies Act, 2013 using the diminishing balance method, and is recognised in the statement of profit or loss. Any gain or loss on disposal of an investment property is recognized in profit or loss.

The fair values of investment property are disclosed in notes. Fair values are determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in location and category of the investment property being valued.

#### **4.21. Business Combinations:**

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a group.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method.

The pooling of interest method is considered to involve the following:

- i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

#### **5 Use of Estimates and Judgements:**

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialize. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Measurement of defined benefit obligations (Refer note 4.11)
- Measurement and likelihood of occurrence of provisions and contingencies (Refer note 4.17)
- Recognition of deferred tax assets (Refer note 4.15)
- Useful lives of property, plant, equipment, intangibles and investment properties (Refer note 4.2, 4.3 & 4.20)
- Impairment of Intangibles (Refer note 4.3)
- Impairment of financial assets (Refer note 4.4)
- Determination of stage of completion for services rendered (Refer note 4.10)

## **ANNEXURE - 6**

### **First-time adoption of Ind AS:**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. For all periods upto and including the year ended 31st March, 2016 , the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

In preparing the Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This annexure explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

#### **A. Optional Exemptions from retrospective application**

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

##### **i) Deemed cost for property, plant and equipment, intangible assets and investment properties**

Company has elected to consider the carrying value of all its items of property, plant and equipment, intangible assets and investment properties recognised in the financial statements under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

#### **B. Mandatory Exceptions from retrospective application**

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

##### **i) Estimates**

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

##### **ii) Classification and measurement of financial assets**

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

##### **iii) De recognition of financial assets and financial liabilities**

Company has elected to apply the de recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### **C. Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- i) Reconciliation of Equity as at 1st April, 2015 (Transition Date) and as at 31<sup>st</sup> March, 2016
- ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016
- iii) Adjustments to Statement of Cash Flows for the year ended 31<sup>st</sup> March, 2016

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

i) Reconciliation of equity:

(₹ in Million)

	As at 31 <sup>st</sup> March, 2016			As at 1 <sup>st</sup> April, 2015		
	Previous GAAP	Ind AS Adjustments	Ind AS	Previous GAAP	Ind AS Adjustments	Ind AS
<b>ASSETS</b>						
<b>(1) Non-Current Assets:</b>						
(a) Property, Plant and Equipment	7,373.78	-	7,373.78	8,219.05	-	8,219.05
(b) Capital Work-in-Progress	378.74	-	378.74	54.11	-	54.11
(c) Investment Property	14.25	-0.69	13.56	14.25	-	14.25
(d) Intangible Assets	9.89	-	9.89	7.84	-	7.84
(e) Financial Assets						
(i) Investments	1,195.76	131.33	1,327.09	150.00	-	150.00
(ii) Loans	9.24	-	9.24	7.31	-	7.31
(iii) Other Financial Assets	70.13	-	70.13	73.65	-	73.65
(f) Non-Current Tax Assets (Net)	77.01	-	77.01	96.90	-	96.90
(g) Other Non-Current Assets	64.10	-	64.10	84.61	-	84.61
<b>(2) Current Assets:</b>						
(a) Inventories	1,174.22	-	1,174.22	1,381.72	-	1,381.72
(b) Financial Assets						
(i) Investments	1,017.76	119.57	1,137.33	1,697.97	122.45	1,820.42
(ii) Trade Receivables	1,690.03	-12.11	1,677.92	1,338.19	-	1,338.19
(iii) Cash and Cash Equivalents	165.51	-11.03	154.48	301.43	-	301.43
(iv) Other Bank Balances	12.66	-	12.66	32.47	-	32.47
(v) Loans	10.35	-	10.35	6.61	-	6.61
(vi) Other Financial Assets	55.56	6.49	62.05	46.16	15.53	61.69
(c) Other Current Assets	541.06	-	541.06	249.25	-	249.25
<b>TOTAL</b>	<b>13,860.05</b>	<b>233.56</b>	<b>14,093.61</b>	<b>13,761.52</b>	<b>137.98</b>	<b>13,899.50</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	84.25	-	84.25	84.25	-	84.25
(b) Other Equity	7,765.65	202.20	7,967.85	7,598.26	110.48	7,708.74
<b>Liabilities</b>						
<b>(1) Non- Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	979.33	-	979.33	2,810.71	-	2,810.71
(ii) Other Financial Liabilities	1.49	-	1.49	4.72	-	4.72
(b) Provisions	16.93	-	16.93	16.03	-	16.03
(c) Deferred tax liabilities (Net)	427.40	56.22	483.62	422.02	56.90	478.92
<b>(2) Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	0.03	-	0.03	-	-	-
(ii) Trade Payables	1,555.17	-	1,555.17	1,154.39	-	1,154.39
(iii) Other Financial Liabilities	2,119.48	-11.03	2,108.45	935.04	-	935.04
(b) Other Current Liabilities	886.05	-	886.05	703.21	-	703.21
(c) Provisions	24.26	-13.82	10.44	32.89	-29.40	3.49
<b>TOTAL</b>	<b>13,860.05</b>	<b>233.56</b>	<b>14,093.61</b>	<b>13,761.52</b>	<b>137.98</b>	<b>13,899.50</b>

ii) Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2016:

(₹ in Million)

	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
<b>Income:</b>			
Revenue from Operations	12,004.54	986.70	12,991.24
Other Income	173.69	113.50	287.19
<b>TOTAL INCOME</b>	<b>12,178.23</b>	<b>1,100.20</b>	<b>13,278.43</b>
<b>Expenses:</b>			
Cost of Materials Consumed	7,431.78	-	7,431.78
Purchase of Stock-in-Trade	703.10	-	703.10
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	-5.64	-	-5.64
Excise Duty on Sales	-	988.74	988.74
Employee Benefits Expense	788.45	-0.22	788.23
Finance Costs	255.84	0.37	256.21
Depreciation & Amortisation Expense	994.74	0.70	995.44
Other Expenses	1,138.29	19.01	1,157.30
<b>TOTAL EXPENSES</b>	<b>11,306.56</b>	<b>1,008.60</b>	<b>12,315.16</b>
<b>Profit before Tax, as Restated</b>	<b>871.67</b>	<b>91.60</b>	<b>963.27</b>
Tax Expense			
- Current Tax	334.68	-	334.68
- Deferred Tax Charge (Credit)	-137.43	-0.46	-137.89
<b>Profit for the Year, as Restated</b>	<b>674.42</b>	<b>92.06</b>	<b>766.48</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent years	-	-	-
<b>Other Comprehensive Income not to be reclassified to profit or loss in subsequent years:</b>			
Re-measurement gains (losses) on defined benefit plans	-	-0.59	-0.59
Income tax Effect on above	-	0.20	0.20
<b>Net other Comprehensive Income not to be reclassified to profit or loss in subsequent years</b>	<b>-</b>	<b>-0.39</b>	<b>-0.39</b>
Other Comprehensive Income for the year, net of tax	-	-0.39	-0.39
<b>Total Comprehensive Income for the year, Net of Tax</b>	<b>674.42</b>	<b>91.67</b>	<b>766.09</b>

iii) Adjustments to Statement of Cash Flows for the year ended 31st March, 2016

(₹ in Million)

	Previous GAAP	Adjustment on transition to Ind AS	Ind AS
Net Cash Flows from Operating Activities	1,834.33	-10.66	1,823.65
Net Cash Flows from Investing Activities	-779.21	-0.05	-779.26
Net Cash Flows from Financing Activities	-1,191.04	-0.32	-1,191.34
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>-135.92</b>	<b>-11.03</b>	<b>-146.96</b>
Cash and Cash Equivalents at the beginning of the year	301.43		301.43
<b>Cash and Cash Equivalents at the end of the year</b>	<b>165.51</b>	<b>-11.03</b>	<b>154.48</b>

## Notes to Reconciliations

### a) Investments

In the financial statements prepared under Previous GAAP, Investments were classified as long term investments or current investments based on the intended holding period and realisability. Long - Term investments were carried at cost less provision for other than the temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, the Group has recognised such investments as follows:

- Debt oriented Mutual Funds, Fixed Maturity Plans, Debentures and Bonds - At fair value through profit and loss (FVTPL)
- Quoted equity shares - At FVTPL through an irrevocable election

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary and associate companies). At the date of transition to Ind AS, difference between the fair value of the investments and carrying value under previous GAAP has been recognised in Other equity (Retained earnings for investments recognised at FVTPL). Fair value changes are recognised in the Statement of Profit and Loss and Other Comprehensive Income respectively for the year ended 31st March, 2016.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Asset:</b>			
Non-Current Investments	-	131.33	-
Current Investments	122.45	119.57	-
<b>Equity:</b>			
Other Equity (Retained Earnings)	(122.45)	(250.90)	-
<b>Profit (Loss):</b>			
Other Income	-	-	(127.37)

### b) Derivative Instruments - Foreign Exchange Forward Contracts

Under Previous GAAP, unrealised net loss on foreign exchange forward contracts, if any, as at each Balance Sheet date was provided for. Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement. Derivative assets and derivative liabilities are presented on gross basis.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Asset:</b>			
Derivative Financial Assets	15.53	6.49	-
<b>Liabilities:</b>			
Short Term Provisions	29.40	13.82	-
<b>Equity:</b>			
Other Equity (Retained Earnings)	(44.93)	(20.31)	-
<b>Profit (Loss):</b>			
Other Expenses	-	-	9.03

c) **Excise Duty:**

In the Financial Statements prepared under Previous GAAP, excise duty was netted off against sale of goods. However, under Ind AS, excise duty is included in sale of goods and is separately presented as expense on the face of Statement of Profit and Loss. Thus, sale of goods under Ind AS has increased with a corresponding increase in expenses.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Profit (Loss):</b>			
Revenue from Operations	-	-	(988.74)
Excise Duty on Sales	-	-	988.74

d) **Revenue from Sale of Goods**

In the Financial Statements prepared under Previous GAAP, revenue was recognised net of trade discounts, rebates, sales taxes and excise duties. Under Ind AS, revenue is recognised at the fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as sales tax and value added tax except excise duty. Cash discounts and rebates were shown as a part of other expenses. However, under Ind AS, such cash discounts and rebates are reduced from revenue from sale of products.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Profit (Loss):</b>			
Revenue from Operations	-	-	2.04
Other Expenses	-	-	(2.04)

e) **Defined Benefit Plans**

i) **Actuarial gain/(loss):**

In the financial statements prepared under Previous GAAP, re-measurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such re-measurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

ii) **Net interest cost (income) on defined benefit plans:**

Under Previous GAAP, the interest cost on defined benefit liability and expected return on plan assets was recognised as employee benefit expenses in the Statement of Profit and Loss. Under Ind AS, the Group has recognised the net interest cost on defined benefit plans as finance cost.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Profit (Loss):</b>			
Employee benefits expenses	-	-	(0.22)
Finance costs	-	-	0.37
<b>Equity:</b>			
Other Equity (Retained Earnings)	-	0.39	-

**f) Deferred Tax**

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. In addition, various transitional adjustments also lead to temporary differences and creation of deferred tax thereon.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Liabilities:</b>			
Deferred Tax Liabilities (net)	(56.90)	(56.22)	-
<b>Equity:</b>			
Other equity (Retained earnings)	56.90	56.02	-
Other equity (Debt instruments through Other Comprehensive Income)	-	0.20	-
<b>(Profit)/Loss:</b>			
Deferred tax (credit)/charge	-	-	0.46
Income tax relating to			
- Remeasurement (gain)/loss on net defined benefit plans	-	-	0.20

**g) Trade Receivables**

In the financial statements prepared under Previous GAAP, the Group has created provision for impairment of receivables only in respect of specified amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) Model.

	Debit / (Credit)	
	Balance Sheet	Statement of Profit and Loss
	As at 31.03.2016	Year Ended 31.03.2016
<b>Assets:</b>		
Trade Receivables	(12.11)	-
<b>Equity:</b>		
Other equity (Retained earnings)	12.11	-
<b>(Profit)/Loss:</b>		
Other expenses	-	12.11

**h) Statement of cash flows**

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, temporary overdrawn bank balances were considered as part of current liabilities.

	Debit / (Credit)		Debit / (Credit)
	Balance Sheet		Statement of Profit and Loss
	As at 01.04.2015	As at 31.03.2016	Year Ended 31.03.2016
<b>Current Liabilities:</b>			
Other Financial Liabilities	-	11.03	-
<b>Cash and Cash Equivalents</b>	-	-11.03	-

**i) Retained Earnings:**

	As at 01.04.2015	As at 31.03.2016
<b>Retained Earnings as per Previous GAAP as per audited financials</b>	<b>5,837.12</b>	<b>5,935.97</b>
Add: Increase due to Restated Adjustments	60.49	61.03
<b>Retained Earnings as per Previous GAAP, as restated</b>	<b>5,897.61</b>	<b>5,997.00</b>
Effect of Measuring Current Investments at Fair Value	122.45	250.90
Effect of Measuring Derivative Instruments at Fair Value	44.93	20.31
Deferred Taxes	(56.90)	(56.22)
Depreciation on Investment Property	-	(0.69)
Provision for Trade Receivables	-	(12.10)
<b>Total effect of transition to Ind AS</b>	<b>110.48</b>	<b>202.19</b>
<b>Retained Earnings as per Ind AS</b>	<b>6,008.09</b>	<b>6,199.19</b>

In the preparation of the Ind-AS Financial Statements, Group has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in the Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

**ANNEXURE 7 - Restated Consolidated Summary Statement of Fixed Assets**

(₹ in Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	AS AT 01.04.2018	ADDITIONS	DEDUCTION / ADJUSTMENTS	AS AT 30.09.2018	AS AT 01.04.2018	FOR THE YEAR	DEDUCTION / ADJUSTMENTS	AS AT 30.09.2018	AS AT 30.09.2018
<b>(A) Property, Plant and Equipment:</b>									
Freehold Land	248.75	5.80	-	254.55	-	-	-	-	254.55
Leasehold Land	72.24	-	-	72.24	2.95	0.61	-	3.56	68.68
Buildings	1,788.91	87.87	3.49	1,873.29	707.91	34.43	1.91	740.43	1,132.86
Roads	42.19	-	-	42.19	29.73	1.78	-	31.50	10.69
Plant & Machineries	637.60	2.24	9.49	630.35	411.58	21.58	5.59	427.58	202.77
Windmills	10,476.47	9.31	-	10,485.78	5,519.28	324.98	-	5,844.26	4,641.52
Office Equipment's	55.99	1.46	-	57.45	48.62	1.77	-	50.39	7.06
Furniture & Fixtures	81.55	8.10	-	89.65	64.24	3.36	-	67.60	22.05
Computers	68.12	3.40	-	71.52	57.52	3.98	-	61.50	10.02
Vehicles	237.06	12.16	16.30	232.92	160.45	13.65	13.82	160.28	72.64
<b>Sub-Total</b>	<b>13,708.88</b>	<b>130.34</b>	<b>29.28</b>	<b>13,809.94</b>	<b>7,002.29</b>	<b>406.14</b>	<b>21.32</b>	<b>7,387.10</b>	<b>6,422.84</b>
<b>(B) Intangible:</b>									
Software	56.07	0.03	-	56.09	34.23	5.78	-	40.01	16.08
Others	9.00	-	-	9.00	0.17	0.05	-	0.22	8.78
<b>Total (B)</b>	<b>65.06</b>	<b>0.03</b>	<b>-</b>	<b>65.09</b>	<b>34.40</b>	<b>5.83</b>	<b>-</b>	<b>40.23</b>	<b>24.86</b>
<b>Total (A+B)</b>	<b>13,773.94</b>	<b>130.37</b>	<b>-</b>	<b>13,875.03</b>	<b>7,036.69</b>	<b>411.97</b>	<b>21.32</b>	<b>7,427.33</b>	<b>6,447.70</b>
<b>(C) Capital Work in Progress</b>									<b>407.75</b>
<b>Total Fixed Assets (A)+(B)+( C)</b>	<b>13,773.94</b>	<b>130.37</b>	<b>29.28</b>	<b>13,875.03</b>	<b>7,036.69</b>	<b>411.97</b>	<b>21.32</b>	<b>7,427.33</b>	<b>6,855.45</b>

(₹ in Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	AS AT 01.04.2017	ADDITIONS	DEDUCTION / ADJUSTMENTS	AS AT 31.03.2018	AS AT 01.04.2017	FOR THE YEAR	DEDUCTION / ADJUSTMENTS	AS AT 31.03.2018	AS AT 31.03.2018
<b>(A) Property, Plant and Equipment:</b>									
Freehold Land	243.32	5.43	-	248.75	-	-	-	-	248.75
Leasehold Land	72.24	-	-	72.24	1.74	1.22	-	2.95	69.28
Buildings	1,856.72	2.09	69.90	1,788.91	672.27	69.87	34.24	707.91	1,081.01
Roads	39.53	2.66	-	42.19	25.15	4.57	-	29.73	12.46
Plant & Machineries	635.70	45.34	43.44	637.60	409.60	45.43	43.44	411.58	226.02
Windmills	10,478.81	-2.34	-	10,476.47	4,805.50	713.78	-	5,519.28	4,957.19
Office Equipment's	54.59	2.08	0.68	55.99	44.98	4.28	0.64	48.62	7.37
Furniture & Fixtures	80.87	3.66	2.98	81.55	60.84	5.93	2.53	64.24	17.31
Computers	58.97	9.69	0.54	68.12	50.83	7.20	0.51	57.52	10.60
Vehicles	220.85	40.47	24.26	237.06	155.82	25.16	20.53	160.45	76.62
<b>Sub-Total</b>	<b>13,741.60</b>	<b>109.08</b>	<b>141.80</b>	<b>13,708.88</b>	<b>6,226.74</b>	<b>877.44</b>	<b>101.89</b>	<b>7,002.29</b>	<b>6,706.60</b>
<b>(B) Intangible:</b>									
Software	26.52	29.54	-	56.07	22.68	11.55	-	34.23	21.84
Others	9.00	-	-	9.00	0.08	0.09	-	0.17	8.83
<b>Total (B)</b>	<b>35.52</b>	<b>29.54</b>	<b>-</b>	<b>65.06</b>	<b>22.76</b>	<b>11.64</b>	<b>-</b>	<b>34.40</b>	<b>30.67</b>
<b>Total (A+B)</b>	<b>13,777.12</b>	<b>138.62</b>	<b>141.80</b>	<b>13,773.94</b>	<b>6,249.50</b>	<b>889.08</b>	<b>101.89</b>	<b>7,036.69</b>	<b>6,737.27</b>
<b>(C) Investment Property:</b>									
Residential Buildings	4.51	-	4.51	-	0.43	0.12	0.55	-	-
<b>Total (C)</b>	<b>4.51</b>	<b>-</b>	<b>4.51</b>	<b>-</b>	<b>0.43</b>	<b>0.12</b>	<b>0.55</b>	<b>-</b>	<b>-</b>
<b>(D) Capital Work in Progress</b>									<b>157.37</b>
<b>Total Fixed Assets (A)+(B)+(C)+(D)</b>	<b>13,781.63</b>	<b>138.62</b>	<b>146.31</b>	<b>13,773.94</b>	<b>6,249.93</b>	<b>889.20</b>	<b>102.44</b>	<b>7,036.69</b>	<b>6,894.64</b>

(₹ in Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	AS AT 01.04.2016	ADDITIONS	DEDUCTION/ ADJUSTMENTS	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	DEDUCTION/ ADJUSTMENTS	AS AT 31.03.2017	AS AT 31.03.2017
<b>(A) Property, Plant and Equipment:</b>									
Freehold Land	231.15	12.17	-	243.32	-	-	-	-	243.32
Leasehold Land	7.11	65.13	-	72.24	1.10	0.64	-	1.74	70.50
Buildings	1,893.60	11.85	48.73	1,856.72	612.37	75.71	15.81	672.27	1,184.45
Roads	39.53	-	-	39.53	19.75	5.40	-	25.15	14.37
Plant & Machineries	608.98	33.38	6.66	635.70	370.69	44.00	5.09	409.60	226.10
Windmills	9,571.27	907.54	-	10,478.81	4,088.57	716.93	-	4,805.50	5,673.31
Office Equipment's	50.73	3.93	0.07	54.59	39.90	5.15	0.07	44.98	9.61
Furniture & Fixtures	78.74	2.13	-	80.87	53.67	7.17	-	60.84	20.02
Computers	54.53	5.35	0.91	58.97	45.23	6.37	0.77	50.83	8.14
Vehicles	211.27	42.32	32.74	220.85	141.84	26.99	13.01	155.82	65.04
<b>Sub-Total</b>	<b>12,746.91</b>	<b>1,083.80</b>	<b>89.11</b>	<b>13,741.60</b>	<b>5,373.13</b>	<b>888.36</b>	<b>34.75</b>	<b>6,226.74</b>	<b>7,514.86</b>
<b>(B) Intangible:</b>									
Software	24.84	1.68	-	26.52	20.20	2.48	-	22.68	3.84
Others	5.25	3.75	-	9.00	-	0.08	-	0.08	8.92
<b>Total (B)</b>	<b>30.09</b>	<b>5.43</b>	<b>-</b>	<b>35.52</b>	<b>20.20</b>	<b>2.56</b>	<b>-</b>	<b>22.76</b>	<b>12.76</b>
<b>Total (A+B)</b>	<b>12,777.00</b>	<b>1,089.23</b>	<b>89.11</b>	<b>13,777.12</b>	<b>5,393.33</b>	<b>890.92</b>	<b>34.75</b>	<b>6,249.50</b>	<b>7,527.62</b>
<b>(C) Investment Property:</b>									
Residential Buildings	14.25	-	9.74	4.51	0.69	0.44	0.70	0.43	4.08
<b>Total (C)</b>	<b>14.25</b>	<b>-</b>	<b>9.74</b>	<b>4.51</b>	<b>0.69</b>	<b>0.44</b>	<b>0.70</b>	<b>0.43</b>	<b>4.08</b>
<b>(D) Capital Work in Progress</b>									<b>76.18</b>
<b>Total Fixed Assets (A)+(B)+(C)+(D)</b>	<b>12,791.25</b>	<b>1,089.23</b>	<b>98.85</b>	<b>13,781.63</b>	<b>5,394.02</b>	<b>891.36</b>	<b>35.45</b>	<b>6,249.93</b>	<b>7,607.88</b>

(₹ in Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK
	AS AT 01.04.2015	ADDITIONS	DEDUCTION/ ADJUSTMENTS	AS AT 31.03.2016	AS AT 01.04.2015	FOR THE YEAR	DEDUCTION/ ADJUSTMENTS	AS AT 31.03.2016	AS AT 31.03.2016
<b>(A) Property, Plant and Equipment:</b>									
Freehold Land	231.15	-	-	231.15	-	-	-	-	231.15
Leasehold Land	7.11	-	-	7.11	1.00	0.10	-	1.10	6.01
Buildings	1,889.13	12.28	7.81	1,893.60	533.49	81.71	2.82	612.37	1,281.23
Roads	39.15	0.38	-	39.53	12.21	7.54	-	19.75	19.78
Plant & Machineries	601.61	11.00	3.63	608.98	318.81	52.50	0.62	370.69	238.28
Windmills	9,475.97	95.30	-	9,571.27	3,290.98	797.59	-	4,088.57	5,482.70
Office Equipment's	45.25	5.48	-	50.73	31.95	7.95	-	39.90	10.83
Furniture & Fixtures	76.06	2.68	-	78.74	43.95	9.73	-	53.67	25.06
Computers	49.00	6.77	1.24	54.53	38.50	7.63	0.92	45.23	9.30
Vehicles	199.09	22.77	10.59	211.27	123.58	26.89	8.63	141.84	69.43
<b>Sub-Total</b>	<b>12,613.52</b>	<b>156.66</b>	<b>23.27</b>	<b>12,746.91</b>	<b>4,394.46</b>	<b>991.63</b>	<b>12.99</b>	<b>5,373.13</b>	<b>7,373.78</b>
<b>(B) Intangible:</b>									
Software	26.76	5.17	7.09	24.84	24.17	3.12	7.09	20.20	4.64
Others	5.25	-	-	5.25	-	-	-	-	5.25
<b>Total (B)</b>	<b>32.01</b>	<b>5.17</b>	<b>7.09</b>	<b>30.09</b>	<b>24.17</b>	<b>3.12</b>	<b>7.09</b>	<b>20.20</b>	<b>9.89</b>
<b>Total (A+B)</b>	<b>12,645.53</b>	<b>161.83</b>	<b>30.36</b>	<b>12,777.00</b>	<b>4,418.63</b>	<b>994.75</b>	<b>20.08</b>	<b>5,393.33</b>	<b>7,383.67</b>
<b>(C) Investment Property:</b>									
Residential Buildings	14.25	-	-	14.25	-	0.69	-	0.69	13.56
<b>Total (C)</b>	<b>14.25</b>	<b>-</b>	<b>-</b>	<b>14.25</b>	<b>-</b>	<b>0.69</b>	<b>-</b>	<b>0.69</b>	<b>13.56</b>
<b>(D) Capital Work in Progress</b>									<b>378.74</b>
<b>Total Fixed Assets (A)+(B)+(C)+(D)</b>	<b>12,659.78</b>	<b>161.83</b>	<b>30.36</b>	<b>12,791.25</b>	<b>4,418.63</b>	<b>995.45</b>	<b>20.08</b>	<b>5,394.02</b>	<b>7,775.96</b>

**ANNEXURE - 8 Restated Standalone Summary Statement of Non - Current Investments**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>1. Investments measured at Cost</b>				
<b>In Equity Shares of Associate Company, Unquoted</b>				
Airpower Windfarms Private Limited				
	Face Value	No. of Shares		
	10	1,25,000 (1,25,000) (-) (-)	-	1.23
<b>2. Investments measured at Fair Value Through Profit or Loss (FVTPL)</b>				
<b>i. In Debentures, Unquoted</b>				
9.50% Unlisted Non-Convertible Debentures of Business Broadcast News Holding Limited				
	Face Value	Units		
	10,00,000	100 (100) (100) (100)	102.76	102.76
<b>ii. In Bonds, Quoted</b>				
11.25% Unsecured Non-Convertible Perpetual Basel III Compliant Additional Tier 1 Bonds (Series III) of Syndicate Bank				
	10,00,000	- (-) (100) (-)	-	104.14
10.40% Unsecured Redeemable Non-convertible Tier 1 Perpetual Bonds Series II of Vijaya Bank				
	10,00,000	- (-) (100) (-)	-	100.98
<b>iii. In Mutual Fund, Quoted</b>				
Franklin India Fixed Maturity Plan Series 4 Plan D 1098 days - Growth				
	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018
	10	5.00 (-) (-) (-)	49.92	-
TATA Fixed Maturity Plan Series 55 Scheme I 1113 Days – Growth				
	10	5.00 (-) (-) (-)	50.06	-
UTI Fixed Term Income Fund Series XXX - III (1106 Days) -Regular Growth				
	10	5.00 (-) (-) (-)	49.91	-
HDFC FMP 1115D September 2018 (1) - Direct Growth				
	10	5.00 (-) (-) (-)	50.10	-

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ABSL FTP Series RA (1100 days) - Regular Growth	10	5.00 (-) (-) (-)	50.00	-	-	-
ICICI Prudential Fixed Maturity Plan Series 83 - 1101D Plan Z Direct Plan Cumulative	10	5.00 (-) (-) (-)	50.14	-	-	-
Reliance Fixed Horizon Fund - XXXIX - Series 6 - Growth Plan	10	5.00 (-) (-) (-)	50.10	-	-	-
ICICI Prudential Fixed Maturity Plan Series 73-369 Days Plan T - Regular Plan - Cumulative	10	- (-) (-) (11.96)	-	-	-	141.91
ICICI Prudential Fixed Maturity Plan Series 74-368 Days Plan R - Regular Plan - Cumulative	10	- (-) (-) (5.03)	-	-	-	58.56
ICICI Prudential Fixed Maturity Plan Series 74-369 Days Plan T - Regular Plan - Cumulative	10	- (-) (-) (5.02)	-	-	-	58.44
ICICI Prudential Fixed Maturity Plan Series 74-369 Days Plan K - Regular Plan - Cumulative	10	- (-) (-) (5.03)	-	-	-	58.77
HDFC FMP 1184D January 2015 (1) Series 33 - Regular - Growth	10	- (-) (5.00) (5.00)	-	-	62.12	55.97
UTI Fixed Term Income Fund Series XVIII - XIII 366 Days - Growth Option	10	- (-) (-) (3.62)	-	-	-	42.21
UTI Fixed Income Fund Series XVIII - XII (366 Days) - Growth Plan	10	- (-) (-) (5.00)	-	-	-	58.45
Reliance Fixed Horizon Fund - XXVI - Series 25 - Growth Plan	10	- (-) (-) (5.00)	-	-	-	58.38

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Reliance Fixed Horizon Fund - XXVI - Series 24 - Growth Plan	10	- (-) (-) (5.00)	-	-	-	58.47
Sundaram Fixed Term Plan GG 366 Days - Regular - Growth	10	- (-) (-) (5.01)	-	-	-	58.01
SBI Debt Fund Series - A 27 - 366 Days - Regular - Growth	10	- (-) (-) (5.00)	-	-	-	58.25
UTI Fixed Term Interval Fund - Series XIX - III 368 Days - Growth Plan	10	- (-) (-) (8.34)	-	-	-	96.90
UTI Fixed Term Income Fund Series XXII - VI (1098 Days) - Growth Plan	10	- (-) (5.00) (5.00)	-	-	59.81	53.51
UTI Fixed Term Income Fund Series XXII - X (1098 Days) - Growth Plan	10	- (-) (5.00) (5.00)	-	-	58.18	53.24
UTI Fixed Term Income Fund Series XXII - XII (1100 Days) - Growth Plan	10	- (-) (5.00) (5.00)	-	-	57.57	52.52
Reliance Fixed Horizon Fund - XXIX- Series 1 - Growth Plan	10	- (-) (5.00) (5.00)	-	-	57.20	52.45
Kotak FMP Series 183 - Growth (Regular Plan)	10	- (5.00) (5.00) (5.00)	-	61.20	56.47	51.24
Kotak FMP Series 189 - Growth	10	- (10.03) (10.03) (10.03)	-	123.16	113.51	101.90
HDFC Fixed Maturity Plan 1112D June 2016 (1) Regular Growth	10	- (5.00) (5.00) (-)	-	56.94	53.30	-
ICICI Fixed Maturity Plan Series 79 - 1120 D Plan J Cumulative	10	- (5.00) (5.00) (-)	-	56.20	52.64	-

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Kotak FMP Series 196 – 1099 Days – Growth	10	- (5.00) (5.00) (-)	-	56.48	52.98	-
Reliance Fixed Horizon Fund – XXXI – Series 5-Growth Plan	10	- (5.00) (5.00) (-)	-	56.32	52.89	-
Reliance Fixed Horizon Fund – XXXI – Series 6 – Growth Plan	10	- (5.14) (5.14) (-)	-	59.09	54.63	-
Reliance Fixed Horizon Fund – XXXI – Series 7 – Growth Plan	10	- (5.00) (5.00) (-)	-	55.89	52.66	-
SBI Debt Fund Series – B 42 days – Regular – Growth	10	- (5.00) (5.00) (-)	-	56.36	52.98	-
UTI Fixed Term Income Fund XXV – I (1099 Days) - Growth Plan	10	- (5.00) (5.00) (-)	-	56.68	52.89	-
<b>iv. In Mutual Fund, Unquoted</b>						
Reliance Interval Fund – IV – Series 3 – Growth Plan	10	- (5.00) (5.00) (5.00)	-	61.04	57.06	52.65
<b>v. In Real Estate Investment Trust, Unquoted</b>						
IDFC Score Fund			30.37	27.12	10.75	2.50
			<b>483.36</b>	<b>830.47</b>	<b>1,265.52</b>	<b>1,327.09</b>
a) Quoted Investments – Book Value - Market Value			350.23	638.31	1,094.94	1,169.17
b) Unquoted Investments – Book Value			350.23	638.31	1,094.94	1,169.17
			133.13	192.16	170.58	157.92
* Figures in Brackets are of Previous Years						

#### ANNEXURE 9 - Restated Consolidated Summary Statement of Non-Current Loans

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
(Unsecured, Considered Good) Loan to Employees	8.62	3.74	4.30	9.24
	<b>8.62</b>	<b>3.74</b>	<b>4.30</b>	<b>9.24</b>

**ANNEXURE 10 - Restated Consolidated Summary Statement of Non-Current Other Financial Assets**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
(Unsecured, Considered Good)				
Security Deposits	29.53	36.13	33.58	29.22
Deposits with Original maturity more than 12 months				
- Under Lien	10.17	0.19	0.27	0.12
- Others	50.00	-	-	-
Interest Accrued on Fixed Deposits	0.26	0.01	0.01	0.01
Others	-	-	45.26	40.78
	<b>89.96</b>	<b>36.33</b>	<b>79.12</b>	<b>70.13</b>

**ANNEXURE 11 - Restated Consolidated Summary Statement of Other Non-Current Assets**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Capital Advances	291.20	423.86	187.23	53.00
Balances with Government Authorities	10.10	8.43	12.61	10.98
Prepaid Expenses	1.10	0.90	0.78	0.12
	<b>302.40</b>	<b>433.19</b>	<b>200.62</b>	<b>64.10</b>

**ANNEXURE 12 - Restated Consolidated Summary Statement of Inventories**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Raw Materials & Components	988.52	880.53	890.33	896.86
Raw Materials & Components in Transit	4.25	1.59	0.13	0.11
Work-in-Progress	68.52	56.65	54.10	87.27
Work-in-Progress - Development Cost	31.93	22.25	-	-
Stock-in-Trade	169.65	184.62	162.42	189.98
Stock-in-Trade in Transit	3.43	0.13	-	-
	<b>1266.30</b>	<b>1,145.77</b>	<b>1,106.98</b>	<b>1,174.22</b>

**ANNEXURE 13 - Restated Consolidated Summary Statement of Current Financial Investments**

(₹ in Million)

Particulars	Face Value	Units	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>1. Investments measured at Fair Value Through Profit or Loss (FVTPL)</b>						
<b>i. In Debentures (Non Trade, Unquoted)</b>						
17.50% Secured Non-Convertible Debentures of Total Environment Living Spaces Private Limited	1,00,000	- (-) (-) (3,000)	-	-	-	227.90
10.25% Secured Non-Convertible Debentures of ECL Finance Limited	1,00,000	- (-) (-) (1,500)	-	-	-	152.79
<b>ii. In Equity Shares, Quoted</b>						
Equity Shares of Tata Teleservices (Maharashtra) Limited, fully paid-up		50,141 (50,972) (51,231) (51,231)	0.22	0.28	0.37	0.34
<b>iii. In Mutual Funds, Quoted</b>	Face Value	Units No. in Million				
HDFC Fixed Maturity Plan 1112D June 2016 (1) Regular Growth	10	5.00 (-) (-) (-)	58.52	-	-	-
ICICI Fixed Maturity Plan Series 79 - 1120 D Plan J Cumulative	10	5.00 (-) (-) (-)	57.95	-	-	-
Kotak FMP Series 196 - 1099 Days - Growth	10	5.00 (-) (-) (-)	58.18	-	-	-
Reliance Fixed Horizon Fund - XXXI - Series 5 - Growth Plan	10	5.00 (-) (-) (-)	58.10	-	-	-
Reliance Fixed Horizon Fund - XXXI - Series 6 - Growth Plan	10	5.14 (-) (-) (-)	60.92	-	-	-
Reliance Fixed Horizon Fund - XXXI - Series 7 - Growth Plan	10	5.00 (-) (-) (-)	57.43	-	-	-

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
SBI Debt Fund Series - B 42 days - Regular - Growth	10	5.00 (-) (-) (-)	57.97	-	-	-
UTI Fixed Term Income Fund XXV - I (1099 Days) - Growth Plan	10	5.00 (-) (-) (-)	58.40	-	-	-
Kotak FMP Series 183 - Growth (Regular Plan)	10	5.00 (-) (-) (-)	62.28	-	-	-
Kotak FMP Series 189 - Growth	10	10.03 (-) (-) (-)	127.84	-	-	-
HDFC FMP 1184D January 2015 (1) Series 33 - Regular - Growth	10	- (5.00) (-) (-)	-	66.52	-	-
UTI Fixed Term Income Fund Series XXII - VI (1098 Days) - Growth Plan	10	- (5.00) (-) (-)	-	64.97	-	-
UTI Fixed Term Income Fund Series XXII - X (1098 Days) - Growth Plan	10	- (5.00) (-) (-)	-	62.28	-	-
UTI Fixed Term Income Fund Series XXII - XII (1100 Days) - Growth Plan	10	- (5.00) (-) (-)	-	61.99	-	-
Reliance Fixed Horizon Fund - XXIX- Series 1 - Growth Plan	10	- (5.00) (-) (-)	-	61.43	-	-
ICICI Prudential Fixed Maturity Plan Series 69- 366 Days Plan G - Regular Plan - Cumulative	10	- (-) (-) (5.00)	-	-	-	63.49
UTI Fixed Income Interval Fund - I - Annual Interval Plan - Retail Option - Growth	10	- (-) (-) (3.05)	-	-	-	62.95
UTI Fixed Income Fund Series XV - X (368 Days) - Growth	10	- (-) (-) (5.00)	-	-	-	63.36

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Reliance Yearly Interval Fund - Series 6 - Growth	10	- (-) (10.00)	-	-	-	128.12
Reliance Fixed Horizon Fund - XXIV - Series 3 - Growth Plan	10	- (-) (-) (5.00)	-	-	-	63.57
Birla Sun Life Fixed Term Plan - Series HL (1099 Days) - Growth Regular	10	- (-) (-) (5.05)	-	-	-	64.33
DHFL Pramerica Fixed Maturity Plan - Series 32 - Regular Plan - Growth	10	- (-) (-) (3.44)	-	-	-	43.54
Kotak Fixed Maturity Plan Series 111 (370 days ) Growth	10	- (-) (-) (5.00)	-	-	-	63.40
ICICI Prudential Fixed Maturity Plan Series 73- 369 Days Plan T - Regular Plan - Cumulative	10	- (-) (11.96) (-)	-	-	152.63	-
ICICI Prudential Fixed Maturity Plan Series 74- 368 Days Plan R - Regular Plan - Cumulative	10	- (-) (5.03) (-)	-	-	63.49	-
ICICI Prudential Fixed Maturity Plan Series 74- 369 Days Plan K - Regular Plan - Cumulative	10	- (-) (5.03) (-)	-	-	63.62	-
ICICI Prudential Fixed Maturity Plan Series 74- 369 Days Plan T - Regular Plan - Cumulative	10	- (-) (5.02) (-)	-	-	63.37	-
Reliance Fixed Horizon Fund - XXVI - Series 24 - Growth Plan	10	- (-) (5.00) (-)	-	-	63.16	-
Reliance Fixed Horizon Fund - XXVI - Series 25 - Growth Plan	10	- (-) (5.00) (-)	-	-	63.24	-

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
SBI Debt Fund Series - A 27 - 366 Days - Regular - Growth	10	- (-) (5.00) (-)	-	-	62.94	-
Sundaram Fixed Term Plan GG 366 Days - Regular - Growth	10	- (-) (5.01) (-)	-	-	62.72	-
UTI Fixed Income Fund Series XVIII - XII (366 Days) - Growth Plan	10	- (-) (5.00) (-)	-	-	63.32	-
UTI Fixed Term Income Fund Series XVIII - XIII 366 Days - Growth Option	10	- (-) (3.62) (-)	-	-	45.78	-
UTI Fixed Term Interval Fund - Series XIX - III 368 Days - Growth Plan	10	- (-) (8.34) (-)	-	-	104.94	-
<b>iv. In Mutual Funds, Unquoted</b>						
HDFC Banking and PSU Debt Fund - Regular Growth Option	10	- (-) (-) (8.46)	-	-	-	101.70
BOI AXA Corporate Credit Spectrum Fund - Regular Plan	10	9.25 (9.25) (9.25) (9.25)	125.07	123.45	113.37	101.84
ICICI Prudential Liquid Plan - Growth	100	0.24 (0.16) (-) (-)	62.84	40.08	-	-
Reliance Liquid Plan - Regular - Growth	1,000	0.01 (0.01) (-) (-)	52.88	40.10	-	-
SBI Liquid Fund Regular Growth	1,000	0.04 (-) (-) (-)	117.82	-	-	-
BNP Paribas Liquid Fund - Growth	1,000	0.02 (-) (-) (-)	50.31	-	-	-
Franklin India Credit Risk Fund - Growth	10	2.71 (-) (-) (-)	50.06	-	-	-

Particulars	Face Value	Units No. in Million	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Franklin India Short Term Income Plan - Retail Plan - Growth	1,000	0.01 (-) (-) (-)	50.07	-	-	-
Axis Dynamic Equity Fund – Growth	10	4.68 (-) (-) (-)	49.95	-	-	-
ICICI Prudential Balanced Advantage Fund - Regular Plan Growth	10	1.49 (-) (-) (-)	49.87	-	-	-
		<b>1,266.68</b>	<b>521.10</b>	<b>922.95</b>	<b>1,137.33</b>	
a) Quoted Investments - Book Value - Market Value		657.80 657.80	317.47 317.47	809.58 809.58	553.09 553.09	
b) Unquoted Investments - Book Value		608.88	203.63	113.37	584.24	
* Figures in Brackets are of Previous Years						

#### ANNEXURE 14 - Restated Consolidated Summary Statement of Trade Receivables

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>Unsecured</b>				
- Considered Good	2171.35	1,904.13	1,734.38	1,677.92
- Significant Increase in Credit Risk	44.23	12.97	16.31	16.05
Allowance for Doubtful Debts	(44.23)	-12.97	-16.31	-16.05
	<b>2,171.35</b>	<b>1,904.13</b>	<b>1,734.38</b>	<b>1,677.92</b>

Of the above, trade receivables from related parties are as below:

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Due from Related parties	10.88	107.95	-	0.41

#### ANNEXURE 15 - Restated Consolidated Summary Statement of Cash & Cash Equivalents

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Balance with Banks				
In Current Accounts	159.21	130.05	195.60	99.06
Deposit with original maturity upto 3 months.	46.60	147.00	192.50	63.00
Cash on Hand	2.95	2.93	3.62	3.45
Bank Overdraft used for Cash Management Purposes	-	-203.67	-	-11.03
	<b>208.76</b>	<b>73.61</b>	<b>391.72</b>	<b>154.48</b>

**ANNEXURE 16 - Restated Consolidated Summary Statement of Other Bank Balance**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Deposit with Original maturity more than 3 months and upto 12 months				
- Under Lien	13.15	0.41	0.55	0.99
- Others	-	-	14.00	11.00
Deposits with original maturity more than 12 months				
- Under Lien	0.17	11.66	1.05	0.67
- Others	-	-	1.00	-
	<b>13.32</b>	<b>12.07</b>	<b>16.60</b>	<b>12.66</b>

**ANNEXURE 17 - Restated Consolidated Summary Statement of Current Loans**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<i>(Unsecured, Considered Good)</i>				
Loan to Employees	8.11	6.07	11.18	10.35
Loan to Associate (Refer Annexure 38-9)	177.15	48.75	-	-
	<b>185.26</b>	<b>54.82</b>	<b>11.18</b>	<b>10.35</b>

**ANNEXURE 18 - Restated Consolidated Summary Statement of Current Other Financial Assets**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<i>(Unsecured, Considered Good)</i>				
Security Deposits	29.01	32.31	35.18	43.53
Deposits to Related Parties (Refer Annexure 38-9)	0.45	0.45	0.45	0.45
Derivative Contracts	32.10	22.67	19.58	1.42
Interest Receivable	53.97	55.06	7.82	16.27
Others	8.52	6.81	1.23	0.38
	<b>124.05</b>	<b>117.30</b>	<b>64.26</b>	<b>62.05</b>

**ANNEXURE 19 - Restated Consolidated Summary Statement of Other Current Assets**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Advance for Supply of Goods and Rendering of Services	127.53	176.97	88.68	369.31
Advance to Employees	8.71	6.53	10.85	27.24
Balance with Government Authorities	426.38	320.45	88.72	68.32
Prepaid Expenses	49.07	27.16	18.13	28.90
Unbilled Revenues for Services	48.75	35.58	44.36	47.29
	<b>660.44</b>	<b>566.69</b>	<b>250.74</b>	<b>541.06</b>

**ANNEXURE 20 - Restated Consolidated Summary Statement of Share Capital**

(₹ in Million)

Particulars	As at 30.09.2018		As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares of FV ₹ 5 *	In Million	No. of Shares of FV ₹ 2	In Million	No. of Shares of FV ₹ 2	In Million	No. of Shares of FV ₹ 2	In Million
<b>Authorised:</b> Equity Share Capital <b>Issued, Subscribed &amp; Paid Up</b> Equity Shares	50,00,00,000	250.00	100,00,00,000	200.00	100,00,00,000	200.00	100,00,00,000	200.00
	38,092,129	190.46	38,092,129	76.18	38,092,129	76.18	42,123,078	84.25

**a: Terms/Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹ 5/- (31.03.2018 – ₹ 2, 31.03.2017 - ₹ 2, 31.03.2016 - ₹ 2) each. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim Dividend is recognised on approval of the Board of Directors.

During the period, the amount of per share dividend recognised as distributions to equity shareholders was ₹ Nil on face value of ₹ 5/- each (31.03.2018 – ₹ 2, 31.03.2017 - Nil, 31.03.2016 ₹ 10 respectively on face value of ₹ 2/- each).

In the event of liquidation of the Company, the holder of Equity Shares will be entitled to remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**b: Buy Back of Equity Shares**

34,84,516 (31.03.2018 - 8,711,291, 31.03.2017 - 4,680,342, 31.03.2016 - 4,680,342 respectively Equity Shares of ₹ 2 each/- ) Equity Shares of ₹ 5 each/- have been bought back during the period of five years immediately preceding balance sheet date.

**c: Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

	As at 30.09.2018		As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares of ₹ 5 *	In Million	No. of Shares of ₹ 2	In Million	No. of Shares of ₹ 2	In Million	No. of Shares of ₹ 2	In Million
Equity Shares outstanding at the beginning of the period	38,092,129	76.18	38,092,129	76.18	42,123,078	84.25	42,123,078	84.25
Sub-division of Shares from face value of ₹ 2 each to ₹ 1 each	76,184,258	-	-	-	-	-	-	-
Add: Issue of Bonus Shares	114,276,387	114.28	-	-	-	-	-	-
Less: Equity Shares extinguished pursuant to Buy Back	-	-	-	-	4,030,949	8.06	-	-
Consolidation of Shares from face value of ₹ 1 each to ₹ 5 each	190,460,645	190.46	38,092,129	76.18	42,123,078	84.25	42,123,078	84.25
Equity Shares outstanding at the end of the period	38,092,129	190.46	38,092,129	76.18	38,092,129	76.18	42,123,078	84.25

**d: Details of shareholders holding more than 5% Shares in the Company**

Name of Shareholder	As at 30.09.2018		As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	No. of Shares held of ₹ 5 *	% of holding	No. of Shares held of ₹ 2	% of holding	No. of Shares held of ₹ 2	% of holding	No. of Shares held of ₹ 2	% of holding
Naresh Chander Oberoi	5,476,000	14.38	5,476,000	14.38	5,476,000	14.38	14,657,217	34.80
Kharatiram Kharak Puri	5,294,808	13.90	5,294,808	13.90	5,294,808	13.90	5,294,808	12.60
Bharat Naresh Oberoi	17,902,302	47.00	17,902,302	47.00	17,902,302	47.00	11,346,002	26.90
Rajat Naresh Oberoi		-	-	-	-	-	3,499,249	8.30
Renu Naresh Oberoi	4,633,717	12.16	4,633,717	12.16	4,633,717	12.16	-	-
Marina West (Singapore) Pte. Limited	3,640,705	9.56	3,640,705	9.56	3,640,705	9.56	-	-
Standard Chartered Private Equity (Mauritius) II Limited	-	-	-	-	-	-	3,716,742	8.80

**e: The Company is not a Subsidiary Company.**

\* Number of equity shares are adjusted to consolidation of equity share of face value of ₹ 2/- each into equity share of face value of ₹ 5/- each as approved by the shareholders on 31st May, 2018.

**ANNEXURE 21 - Restated Consolidated Summary Statement of Other Equity:**

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Refer Statement of Changes in Equity for detailed movement in Equity balance.				
<b>A. Summary of Other Equity balance:</b>				
Capital Reserve	1.39	1.39	1.39	1.39
Capital Redemption Reserve	-	17.43	17.43	9.36
Securities Premium	-	-	-	621.08
General Reserve	800.14	897.00	897.00	1,136.83
Retained Earnings	8,811.14	8,340.58	7,380.04	6,199.33
Items of Other Comprehensive Income				
- Re-measurements of defined benefit plans	(2.43)	(3.33)	(6.05)	(0.39)
	<b>9,610.24</b>	<b>9,253.07</b>	<b>8,289.81</b>	<b>7,967.60</b>
<b>B. Nature and purpose of reserves:</b>				
<b>(a) Capital Reserve:</b> Company's capital reserve is mainly on account of receipts of government subsidies/grants for setting up the factory in EOU Unit.				
<b>(b) Capital Redemption Reserve:</b> The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.				
<b>(c) Securities Premium:</b> The amount received in excess of face value of the equity shares is recognised in Securities Premium.				
<b>(d) General Reserve:</b> The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.				
<b>(e) Retained Earnings:</b> Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.				
<b>(f) Re-measurements of Net Defined Benefit Plans:</b> Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Consolidated Statement of Profit and Loss.				

**ANNEXURE 22 - Restated Consolidated Summary Statement of Non-Current Financial Liabilities – Borrowings:**

Particulars					As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>Secured:</b> Term Loan from Banks – Foreign Currency					57.64	172.91	403.46	979.33
					57.64	172.91	403.46	979.33
Sr. No.	Nature of Loan and Name of Lender	Sanctioned Amount	Balance Outstanding as on 30.09.2018	Rate of Interest per annum as on 30.09.2018	Repayment Schedule	Prepayment		
			Non- Current	Current Maturities				
1	Foreign Currency Term Loan – Standard Chartered Bank	USD 15 million	57.64	230.55	LIBOR plus 2.75 %	Repayable in 16 quarterly installments beginning from 12 <sup>th</sup> February, 2016	The Borrower may, by giving not less than 10 business days prior notice to the bank, prepay any utilisation on the last day of its current term in whole or in part. Any voluntary prepayment, in whole or in part, is subject to compliance with the prevailing External Commercial Borrowing guidelines of the Reserve Bank of India and any necessary regulatory approvals.	
			57.64	230.55				

**Note:**

**1) Security Clause**

Loan of USD 20 million from Standard Chartered Bank was secured against hypothecation by way of first exclusive charge of 5 windmills of 1650 KW each in village Lakhapur, Kutch and 6 windmills of 1650 KW each in village Vandhiya, Kutch and 11 windmills of 2000 KW each in village Vandhiya, Kutch procured out of the loan including its present and future book debts receivables, its moveable fittings and other moveable assets both present and future situated at Companies premises, warehouses, stockyards, godowns, various worksites or wherever else the same may be held by any party.

Loan of USD 15 million from Standard Chartered Bank is secured against hypothecation by way of first exclusive charge of 9 windmills of 2000 KW each in village Goinj, Kutch and moveable assets of the Company both present and future situated at Company's premises, warehouses, stockyards, godowns, various worksites or wherever else the same may be held by any party and lien on mutual fund schemes of the Company having market value of ₹ 190.12 million (31.03.2018 - ₹ 311.61 million, 31.03.2017 - ₹ 350.69 million, 31.03.2016 - ₹ 335.98 million) as at year end.

**2) There have been no defaults or penalty or re-scheduling of borrowings with financial institutions/banks in respect of borrowings.**

Installment following dues in respect of all the above loans upto 30.09.2019 have been grouped under "Current Maturities of long- term debt - Secured" (Refer Annexure 28).

**ANNEXURE 23 - Restated Consolidated Summary Statement of Non-Current Other Financial Liabilities**

Particulars	₹ in Million			
Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Security Deposits	3.06	3.06	2.79	1.49
	<b>3.06</b>	<b>3.06</b>	<b>2.79</b>	<b>1.49</b>

**ANNEXURE 24 - Restated Consolidated Summary Statement of Other Non - Current Liabilities**

Particulars	₹ in Million			
Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Income Received in Advance	219.01	224.10	235.58	-
	<b>219.01</b>	<b>224.10</b>	<b>235.58</b>	<b>-</b>

**ANNEXURE 25 - Restated Consolidated Summary Statement of Other Non - Current Provisions**

Particulars	₹ in Million			
Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits				
- For Compensated Absences	31.84	30.31	26.92	15.48
- For Gratuity	-	7.43	3.55	1.45
	<b>31.84</b>	<b>37.74</b>	<b>30.47</b>	<b>16.93</b>

**ANNEXURE 26 - Restated Consolidated Summary Statement of Current Financial Liabilities - Borrowings**

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
<b>Secured</b>				
Working Capital Rupee Loan	-	-	1,000.00	-
Export Pre-Shipment Loan - Foreign Currency	77.48	169.64	-	-
<b>Unsecured</b>				
Inter Corporate Deposits	-	-	-	0.03
	<b>77.48</b>	<b>169.64</b>	<b>1,000.00</b>	<b>0.03</b>

a) Working Capital Rupee Loan is secured against lien on mutual fund schemes of the Company having market value of Nil (31.03.2018 - Nil, 31.03.2017 - ₹ 1,190.66 million, 31.03.2016 - Nil) as at year end and is repayable in 3 monthly installments beginning from 30th May, 2017.

b) Export Pre-Shipment Loan is secured against hypothecation on all present and future book debts, outstanding monies receivable, claims and bills and all present and future stock of the Company and is repayable by 13th December, 2018.

c) Inter Corporate Deposits carried interest rate of 9 % and the same was repayable on demand.

There have been no defaults or penalty or re-scheduling of borrowings with financial institutions/banks in respect of borrowings.

**ANNEXURE 27 - Restated Consolidated Summary Statement of Trade Payables**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Total outstanding dues of Micro Enterprises and Small Enterprises	34.79	41.30	26.48	22.18
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,459.31	1,404.97	1,231.24	1,532.99
	<b>1,494.10</b>	<b>1,446.27</b>	<b>1,257.72</b>	<b>1,555.17</b>

**Details of Micro and Small Enterprises As defined Under the Micro, Small and Medium Enterprise Development Act, 2006:**

The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	34.79	41.30	26.48	22.18
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil	Nil	Nil
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil	Nil	Nil
d) The amount of interest due and payable for the year	Nil	Nil	Nil	Nil
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil	Nil
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil	Nil	Nil

**ANNEXURE 28 - Restated Consolidated Summary Statement of Current Other Financial Liabilities**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Current Maturities of long-term-debt – Secured (Refer Annexure 22)	230.55	230.55	564.19	1,917.91
Interest Accrued but not due on Borrowings	2.39	2.93	11.89	14.34
Security Deposits	1.49	1.49	1.25	3.23
Capital Creditors	104.86	88.75	680.59	52.98
Other Liabilities	500.23	124.09	146.86	119.99
	<b>839.52</b>	<b>447.81</b>	<b>1,404.78</b>	<b>2,108.45</b>

**ANNEXURE 29- Restated Consolidated Summary Statement of Other Current Liabilities**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Income Received in Advance	50.59	46.92	44.02	28.19
Advance Received from Customers	1,090.55	564.10	563.00	803.04
Statutory Dues Payable	22.78	40.94	58.47	54.82
	<b>1,163.92</b>	<b>651.96</b>	<b>665.49</b>	<b>886.05</b>

**ANNEXURE 30 - Restated Consolidated Summary Statement of Current Provisions**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits				
- For Gratuity	-	12.17	11.06	8.80
- For Compensated Absences	3.40	4.66	4.17	1.64
	<b>3.40</b>	<b>16.83</b>	<b>15.23</b>	<b>10.44</b>

**ANNEXURE 31 - Restated Consolidated Summary Statement of Revenue from Operations**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Sale of Products:				
- Manufactured Goods	4,455.67	9,241.41	10,491.03	9,994.99
- Stock in Trade	545.80	930.87	1,097.19	977.01
- Electricity	982.94	1,298.42	1,203.60	1,101.97
- Generation Based Incentive – Electricity	43.51	61.44	49.70	48.03
Income from Services:				
- Erection, Installation & Other Services rendered	394.81	868.37	1,148.16	766.77
- Project Development Consultancy	120.06	165.08	-	-
Other Operating Revenue:				
- Income from Leasing	4.44	9.06	24.75	27.54
- Others	29.84	56.69	48.49	74.93
	<b>6,577.07</b>	<b>12,631.35</b>	<b>14,062.92</b>	<b>12,991.24</b>

**ANNEXURE 32 - Restated Consolidated Summary Statement of Other Income**

(₹ in Million)

Particulars	Recurring/ Non- Recurring	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Interest Income:					
- On Bank Deposits	Recurring	1.44	4.08	2.23	4.64
- Others	Recurring	15.47	16.09	18.49	9.08
Income from Current Investments					
- Interest	Recurring	4.47	21.26	24.89	60.24
- Dividend	Recurring	0.77	0.01	0.09	-
Rent Income	Recurring	5.38	12.11	18.13	20.48
Provision for Doubtful Debts Written Back	Recurring	-	3.34	-	-
Net Gain on Sale of Property, Plant and Equipments	Non - Recurring	8.58	108.98	26.54	17.85
Net Gain on Financial Assets measured at FVTPL *	Recurring	41.23	99.85	214.97	153.97
Net Gains on Sale of Investment Properties	Non Recurring	-	5.30	3.16	-
Exchange Differences (Net)	Recurring	-	-	5.20	0.99
Gain on Disposal of Subsidiary/De-recognition of Subsidiary	Non Recurring	-	1.18	12.60	-
Net Gain on Derivative Contracts measured at FVTPL	Recurring	9.43	3.09	13.08	-
Miscellaneous Income	Non Recurring	1.98	6.53	13.13	19.94
		<b>88.75</b>	<b>281.82</b>	<b>352.51</b>	<b>287.19</b>

\* Net Gain on Financial Assets measured at FVTPL include ₹ 95.11 million (31.03.2018 ₹ 193.22 million 31.03.2017 - ₹ 183.11 million, 31.03.2016 - ₹ 26.60 million) as 'Net Gain on Sale of Investments'.

**ANNEXURE 33 - Restated Consolidated Summary Statement of Changes in Inventory of Finished Goods, Work in Progress & Stock-in-Trade**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Inventories at the beginning of the year				
Work in Progress	56.65	54.10	87.27	77.02
Stock-in-Trade	184.62	162.42	189.98	194.59
Stock-in-Trade in Transit	0.13	-	-	-
	<b>241.40</b>	<b>216.52</b>	<b>277.25</b>	<b>271.61</b>
Inventories at the end of the year				
Work in Progress	68.52	56.65	54.10	87.27
Stock-in-Trade	169.65	184.62	162.42	189.98
Stock-in-Trade in Transit	3.43	0.13	-	-
	<b>241.60</b>	<b>241.41</b>	<b>216.52</b>	<b>277.25</b>
Changes In Inventories Of Finished Goods, Work-In-Progress & Stock-in-Trade	(0.20)	(24.89)	60.73	(5.64)

**ANNEXURE 34 - Restated Consolidated Summary Statement of Employee Benefit Expenses**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Salaries, Wages, Bonus & Allowances	448.61	865.79	854.78	707.48
Contribution to Provident & Other Funds	28.16	54.24	51.88	44.81
Defined Benefit Plan Expense (Refer Annexure 38-4)	1.41	25.02	8.80	8.19
Staff Welfare Expenses	16.38	37.92	42.07	27.75
	<b>494.56</b>	<b>982.97</b>	<b>957.53</b>	<b>788.23</b>

**ANNEXURE 35 - Restated Consolidated Summary Statement of Finance Cost**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Interest Expenses	15.07	86.61	187.11	213.22
Other Borrowing Costs	5.73	14.72	34.80	42.99
	<b>20.80</b>	<b>101.33</b>	<b>221.91</b>	<b>256.21</b>

**ANNEXURE 36 - Restated Consolidated Summary Statement of Depreciation & Amortisation**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Depreciation of Property, Plant and Equipments (Refer Annexure 7)	406.14	877.44	888.36	991.63
Depreciation of Investment Property (Refer Annexure 7)	-	0.12	0.44	0.69
Amortisation of Intangible Assets (Refer Annexure 7)	5.83	11.64	2.56	3.12
	<b>411.97</b>	<b>889.20</b>	<b>891.36</b>	<b>995.44</b>

**ANNEXURE 37 - Restated Consolidated Summary Statement of Other Expenses**

(₹ in Million)

Particulars	As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Consumable Stores	40.99	147.13	207.63	174.38
Power & Fuel	17.82	37.21	39.78	24.15
Repairs & Maintenance				
- Plant & Machinery	1.51	1.61	2.39	3.48
- Buildings	1.91	28.72	7.25	3.11
- Others	11.09	26.46	40.59	24.42
Labour Charges	111.08	197.50	157.00	131.99
Conveyance & Petrol Expenses	26.03	43.50	44.52	42.26
Erection Expenses	158.47	265.12	226.44	173.31
Telephone & Communication	9.23	16.22	19.49	16.94
Vehicles Maintenance	8.31	14.76	13.90	12.39
Insurance Expenses	12.71	28.90	21.62	20.46
Legal & Professional Charges	46.18	67.92	52.80	37.82
Rent Expenses	14.27	27.31	25.16	23.05
Rates & Taxes	4.91	39.85	13.13	11.36
Freight Outward & Octroi	41.44	76.79	55.06	49.67
Sales Commission	9.58	17.87	17.00	22.02
Provision for Doubtful Debts	31.26	-	0.26	12.94
Net Loss on Derivative Contracts measured at FVTPL	41.12	-	-	9.03
Travelling Expenses	5.19	75.26	58.27	58.21
Exchange Differences (Net)	-	0.84	-	-
Claim as per Arbitration Award	254.70			
Operation and Maintenance Charges	157.67	235.45	156.40	132.04
Sundry Balance Written Off (Net)	7.55	12.03	2.05	17.46
Miscellaneous Expenses	89.65	159.34	169.10	156.81
	<b>1,102.67</b>	<b>1,519.79</b>	<b>1,329.84</b>	<b>1,157.30</b>

## ANNEXURE 38

1. The Consolidated Financial Statements present the consolidated accounts of Powerica Limited ("the Company") and its following subsidiaries ("the Group") and associate:

Name of the Company	Country of Incorporation	% voting power held			
		As at 30.09.2018	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Dev-Dwarka Windproject Limited	India	-	-	-	100%
Nandurpathar Windfarm Limited	India	100%	100 %	100%	100%
Paramount Windfarms Private Limited	India	100%	100%	100%	100%
Vartaman Wind Energy Private Limited	India	100%	100%	100%	-
Vespower Windfarm Private Limited	India	100%	100%	-	-
Gooty Windfarms Private Limited	India	100%	100%	-	-
Soverign Windfarms Private Limited	India	100%	100%	-	-
Airpower Windfarm Private Limited	India	50%*	50 %*	100%	-

\* 100 % subsidiary upto 27.02.2018 and 50 % associate w.e.f. 28.02.2018.

## 2. Contingent Liabilities

(₹ in Million)

Claims against the Company not acknowledged as debts	30.09.2018	31.03.2018	31.03.2017	31.03.2016
a) Sales Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	2.16 2.16	2.16 2.16	4.40 2.16	4.40 2.16
b) Service Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	0.31 Nil	0.31 Nil	0.31 Nil	0.31 Nil
c) Excise Duty demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	3.20 Nil	3.20 Nil	1.97 0.59	1.97 0.59
d) Income Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	5.91 Nil	Nil Nil	Nil Nil	Nil Nil
e) Corporate Guarantee given to bank on behalf of Associate	50.00	Nil	Nil	Nil

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forms/authorities. The Company does not expect the outcome of the matters stated above to have a material adverse impact on the Company's financial condition, results of operations or cash flows.

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements.

## Commitments:

	30.09.2018	31.03.2018	31.03.2017	31.03.2016
a) Bank Letter of Credit outstanding at the period end	2,170.64	Nil	562.50	515.81
b) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	2,515.13	2,428.05	153.63	1,786.48
c) Estimated amounts of contracts remaining to be executed on revenue account and not provided for, net of advances	102.48	98.08	-	-

### **3. Disclosure for Operating Leases under Ind AS 17 - "Leases":**

(a) The Holding Company and Subsidiary Companies has procured various residential/commercial premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. There are no restrictions imposed by lease arrangements and there are no sub leases. The lease expenses recognised in the Consolidated Statement of Profit & Loss for the year are ₹ 16.73 million (31.03.2018 ₹ 32.54 million, 31.03.2017 ₹ 31.65 million, 31.03.2016 ₹ 29.98 million).

(b) The Holding Company has given on lease, plant & machineries under cancellable operating lease. The rental income recognised in the Consolidated Statement of Profit & Loss for the year is ₹ 4.44 million (31.03.2018 ₹ 9.06 million, 31.03.2017 ₹ 24.75 million, 31.03.2016 ₹ 27.54 million).

(c) The Holding Company has given on lease, commercial premises under operating lease. These are generally cancellable and ranges from 11 months to 5 years and are renewable by mutual consent on mutually agreeable terms. The rental income recognised in the Consolidated Statement of Profit & Loss for the year is ₹ 5.38 million (31.03.2018 ₹ 12.10 million, 31.03.2017 ₹ 18.13 million, 31.03.2016 ₹ 20.48 million).

### **4. Employee Benefits in respect of Holding Company**

#### **(a) Defined Contribution Plans:**

The Company offers its employees defined contribution plans in the form of Provident Fund (PF) and Employees' Pension Scheme (EPS) with the government, and certain state plans such as Employees' State Insurance (ESI). PF and EPS cover substantially all regular employees and the ESI covers eligible workers. Contributions are made to the Government's funds. While both the employees and the Company pay predetermined contributions into the Provident Fund and the ESI Scheme, contributions into the pension fund is made only by the Company. The contributions are normally based on a certain portion of the employee's salary.

During the year, the Company has recognised the following amounts towards contribution:

	₹ in Million	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Provident Fund and Employee's Pension Scheme	24.91	48.96	46.00	37.40	
Employees State Insurance	3.23	5.53	5.39	2.31	
Super Annuation Fund	Nil	Nil	Nil	4.88	
	<b>28.14</b>	<b>54.59</b>	<b>51.39</b>	<b>44.59</b>	

#### **(b) Defined Benefit Plans**

**Gratuity:** Company makes annual contributions to the Employees' Group Gratuity-cum Life Assurance (Cash Accumulation) Scheme of the LIC, a funded defined benefit plan for qualifying employees. The scheme provides for payment to vested employees as under:

##### **i) On normal retirement/ early retirement/ withdrawal/ resignation:**

As per the provisions of Payments of Gratuity Act, 1972 with vesting period of 5 years of service

##### **ii) On the death in service:**

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

**Investment Risk** The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

**Interest Risk** A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

**Longevity Risk** The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Salary Risk

The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

- (c) The following tables summarise the components of defined benefit expense recognised in the statement of profit or loss/OCI and the funded status and amounts recognised in the Balance Sheet for the respective plans:

	₹ in Million)			
	Gratuity (Funded Plan)			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>i) Changes in Defined Benefit Obligation</b>				
Opening defined benefit obligation	117.21	98.35	79.96	71.39
Current service cost	6.08	11.05	8.80	8.19
Interest cost	4.24	6.94	5.99	5.35
Actuarial loss / (gain)				
- changes in financial assumptions	(6.73)	(2.99)	4.97	(1.90)
- experience adjustments	5.48	(1.22)	3.47	1.89
Past Service Cost	Nil	13.96	-	-
Benefit (paid)	(7.42)	(8.88)	(4.84)	(4.96)
<b>Closing defined benefit obligation</b>	<b>118.86</b>	<b>117.21</b>	<b>98.35</b>	<b>79.96</b>
<b>ii) Changes in Fair Value of Assets</b>				
Opening value of plan assets	97.61	83.74	69.71	69.25
Interest Income	3.73	6.27	5.52	5.72
Return on plan assets excluding amounts included in Interest Income	0.13	(0.06)	(0.22)	(0.60)
Contributions of employer	23.18	16.53	13.57	0.31
Benefits (paid)	(2.77)	(8.88)	(4.84)	(4.97)
<b>Closing value of plan assets</b>	<b>121.88</b>	<b>97.60</b>	<b>83.74</b>	<b>69.71</b>
<b>iii) Amount recognised in the Balance Sheet</b>				
Present value of the funded obligations as at year end	118.86	117.21	98.35	79.96
Fair value of the plan assets as at year end	121.88	97.60	83.74	69.71
Net (asset) / liability recognised as at year end	<b>(3.02)</b>	<b>19.61</b>	<b>14.60</b>	<b>10.25</b>
<b>iv) Expenses recognised in the Statement of Profit and Loss</b>				
Current service cost	6.08	11.06	8.80	8.19
Past service cost and loss/(gain) on curtailments and settlement	Nil	13.96	-	(0.36)
Net Interest cost	0.52	0.67	0.46	-
<b>Total</b>	<b>6.60</b>	<b>25.69</b>	<b>9.26</b>	<b>7.83</b>
<b>Expenses recognised in the Statement of Other Comprehensive Income</b>				
Net actuarial loss / (gain) recognised in the current year				
- changes in financial assumptions	(6.73)	(2.99)	4.97	(1.90)
- experience adjustments	5.49	(1.23)	3.47	1.89
Return on plan assets excluding amounts included in Interest Income	(0.13)	0.06	0.22	0.60
<b>Total</b>	<b>(1.37)</b>	<b>(4.16)</b>	<b>8.66</b>	<b>0.59</b>
<b>v) Asset information</b>				
Others – Policy of Insurance	100.00%	100.00%	100.00%	100.00%
<b>vi) Principal actuarial assumptions used</b>				
Discount rate (p.a.)	8.20%	7.65%	7.40%	7.95%
Salary growth rate (p.a.)	5.50%	5.50%	5.50%	5.50%

**(d) Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. Reasonable, possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	₹ in Million							
	30.09.2018		31.03.2018		31.03.2017		31.03.2016	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5%) movement	(5.62)	6.09	(5.63)	6.11	(4.53)	4.91	(3.50)	3.85
Salary growth rate (0.5%) movement	5.17	(5.11)	5.22	(5.03)	4.54	(4.09)	3.48	(3.27)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

**(e) Leave Encashment:**

Company's employees are entitled for compensated absences which are allowed to be accumulated and encashed as per Company's rule. The liability of compensated absences, which is non-funded, has been provided based on report of independent actuary using "Projected Unit Credit Method".

Accordingly ₹ 35.24 million (31.03.2018 ₹ 34.98 million, 31.03.2017 ₹ 31.09 million, 31.03.2016 ₹ 17.12 million) being liability as at the period-end for compensated absences as per actuarial valuation has been provided in the accounts.

**Annual Leave Assumptions**

**a) Financial Assumptions**

Particulars	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Discount rate (p.a.)	8.20%	7.65%	7.40%	7.95%
Salary growth rate (p.a.)	5.50%	5.50%	5.50%	5.50%

**b) Demographic Assumptions**

Particulars	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Leave Availment Rate	3.0%	3.0%	2.0%	1.5%

**5. Capital Management**

The primary objective of the Group's capital management is to maximize the shareholder value. Management monitors the return of capital, as well as the level of dividends paid to equity shareholders. The Group's board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and advantages and security afforded by a sound capital position.

Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents and current investments. Equity comprises all components of equity.

Group's policy is to keep the ratio below 1 and its adjusted net debt to equity ratio was as follows:

	₹ in Million			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Debt (Debt + Current Liabilities)	365.67	573.10	1,967.65	2,897.27
Less: Cash and Cash Equivalents	<u>1,475.44</u>	<u>594.71</u>	<u>1,314.67</u>	<u>1,291.81</u>
<b>Adjusted Net Debt</b>	-	-	652.98	1,605.46
<b>Equity</b>	9,800.70	9,329.25	8,365.99	8,051.85
<b>Adjusted Net Debt to Equity Ratio</b>	-	-	0.08	0.20

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the period ended 30<sup>th</sup> September, 2018 & year ended 31st March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016.

## 6. Financial Instrument- Fair values and risk management

### A) Fair Value Measurements

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### Fair value hierarchy

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial Instruments by Category	30.09.2018		31.03.2018		31.03.2017		31.03.2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets:</b>								
Non-Current Investments – Others	483.36	Nil	830.47	Nil	1,265.52	Nil	1,327.09	Nil
Non-Current Loans	Nil	8.62	Nil	3.74	Nil	4.30	Nil	9.24
Other Non-Current Financial Assets	Nil	89.96	Nil	36.33	Nil	79.12	Nil	70.13
Current Investments	Nil	1,266.68	Nil	521.10	Nil	922.95	Nil	1,137.33
Trade Receivables	Nil	2,171.35	Nil	1,904.13	Nil	1,734.38	Nil	1,677.92
Cash & Cash Equivalents	Nil	208.76	Nil	73.61	Nil	391.72	Nil	154.48
Other Bank Balance	Nil	13.32	Nil	12.07	Nil	16.60	Nil	12.66
Current Loans	Nil	185.26	Nil	54.82	Nil	11.18	Nil	10.35
Other Current Financial Assets								
- Derivative Instruments	32.10	Nil	22.67	Nil	19.58	Nil	1.42	Nil
- Others	Nil	91.95	Nil	94.63	Nil	44.68	Nil	60.63
<b>Financial Liabilities:</b>								
Non-Current Borrowings	Nil	57.64	Nil	172.91	Nil	403.46	Nil	979.33
Other Non-Current Financial Liabilities	Nil	3.06	Nil	3.06	Nil	2.79	Nil	1.49
Current Borrowings	Nil	77.48	Nil	169.64	Nil	1,000.00	Nil	0.03
Trade Payables	Nil	1,494.10	Nil	1,446.27	Nil	1,257.72	Nil	1,555.17
Other Current Financial Liabilities	Nil	839.52	Nil	447.81	Nil	1,404.78	Nil	2,108.45

Fair value hierarchy

(₹ in Million)

Financial Instruments by Category	30.09.2018			31.03.2018			31.03.2017			31.03.2016		
	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III	Level I	Level II	Level III
<b>Financial Assets:</b>												
Non-Current Investments - Others	Nil	483.36	Nil	Nil	830.47	Nil	Nil	1,265.52	Nil	Nil	1,327.09	Nil
Non-Current Loans	Nil	Nil	8.62	Nil	Nil	3.74	Nil	Nil	4.30	Nil	Nil	9.24
Other Non-Current Financial Assets	Nil	Nil	89.96	Nil	Nil	36.33	Nil	Nil	79.12	Nil	Nil	70.13
Current Investments	0.22	1,266.46	Nil	0.28	520.82	Nil	0.37	922.58	Nil	0.34	1,136.99	Nil
Trade Receivables	Nil	Nil	2,171.35	Nil	Nil	1,904.13	Nil	Nil	1,734.38	Nil	Nil	1,677.92
Cash & Cash Equivalents	Nil	Nil	208.76	Nil	Nil	73.61	Nil	Nil	391.72	Nil	Nil	154.48
Other Bank Balance	Nil	Nil	13.32	Nil	Nil	12.07	Nil	Nil	16.60	Nil	Nil	12.66
Current Loans	Nil	Nil	185.26	Nil	Nil	54.82	Nil	Nil	11.18	Nil	Nil	10.35
Other Current Financial Assets												
- Derivative Instruments	Nil	32.10	Nil	Nil	22.67	Nil	Nil	19.58	Nil	Nil	1.42	Nil
- Others	Nil	Nil	91.95	Nil	Nil	94.63	Nil	Nil	44.68	Nil	Nil	60.63
<b>Financial Liabilities:</b>												
Non-Current Borrowings	Nil	Nil	57.64	Nil	Nil	172.91	Nil	Nil	403.46	Nil	Nil	979.33
Other Non-Current Financial Liabilities	Nil	Nil	3.06	Nil	Nil	3.06	Nil	Nil	2.79	Nil	Nil	1.49
Current Borrowings	Nil	Nil	77.48	Nil	Nil	169.64	Nil	Nil	1,000.00	Nil	Nil	0.03
Trade Payables	Nil	Nil	1,494.10	Nil	Nil	1,446.27	Nil	Nil	1,257.72	Nil	Nil	1,555.17
Other Current Financial Liabilities	Nil	Nil	839.52	Nil	Nil	447.81	Nil	Nil	1,404.78	Nil	Nil	2,108.45

**B) Financial risk management**

The Group's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Group's risk management framework. Management is responsible for developing and monitoring Group's risk management policies, under the guidance of Operations & Management Committee. The framework seeks to identify, assess and mitigate financial risks in order to minimize potential adverse effects on the Group's financial performance. Audit Committee reviews investments at periodical intervals

**i) Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions, foreign exchange transactions and other financial instruments.

**a) Trade receivables**

Customer credit risk is managed by each business unit subject to Group's established policy, procedures and control relating to customer credit risk management. Group extends credit only to customers based on its past dealings and outstanding customer receivables are being monitored by individual business managers located in those places. In most cases an appropriate letter of credit / bank guarantee is taken from the customers to cover the risk. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

On account of adoption of IND AS 109, the Group uses ECL model to assess the impairment loss or gain. The Group uses a provision matrix to compute the ECL allowance for trade receivables.

**Expected Credit Loss for Trade receivables under simplified approach**

(₹ in Million)

	<b>30.09.2018</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Gross Carrying Amount	2,215.58	1,917.10	1,750.69	1,693.97
Average Expected loss on Trade Receivables	44.23	12.97	16.31	16.05
Carrying amount of trade receivables (net of impairment)	2,171.35	1,904.13	1,734.38	1,677.92

**b) Financial instruments**

Credit risk arising from investment in mutual funds, bonds, debentures, preference shares, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the national and international credit rating agencies.

**ii) Liquidity risk**

Liquidity risk is the risk that Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including overdraft from banks at an optimised cost.

Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount required to meet expected cash outflows on financial liabilities over foreseeable future.

The table below analysis derivative and non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in Million)

	Carrying amount	Payable within 1 year	More than 1 years	Total
<b>As at 30.09.2018</b>				
Non-derivative liabilities				
Borrowings	365.67	308.03	57.64	365.67
Trade Payables	1,494.10	1,494.10	Nil	1,494.10
Other Payables	612.03	608.97	3.06	612.03
<b>As at 31.03.2018</b>				
Non-derivative liabilities				
Borrowings	573.10	400.19	172.91	573.10
Trade Payables	1,446.27	1,446.27	Nil	1,446.27
Other Payables	220.32	217.26	3.06	220.32
<b>As at 31.03.2017</b>				
Non-derivative liabilities				
Borrowings	1,967.65	1,564.19	403.46	1,967.65
Trade Payables	1,257.72	1,257.72	Nil	1,257.72
Other Payables	843.38	840.59	2.79	843.38
<b>As at 31.03.2016</b>				
Non-derivative liabilities				
Borrowings	2,897.27	1,917.94	979.33	2,897.27
Trade Payables	1,555.17	1,555.17	Nil	1,555.17
Other Payables	192.03	190.54	1.49	192.03

### iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. Group uses derivative financial instruments such as foreign exchange contracts & options to manage its exposures to foreign exchange fluctuations, as per foreign exchange exposure policy adopted by the Group.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities.

The sensitivity of the relevant income statement item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 30<sup>th</sup> September, 2018, 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016.

#### a) Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates.

The currencies in which these transactions are primarily denominated are US dollars and EURO.

At any point in time, Group covers foreign currency risk by taking appropriate hedges as a percentage of its foreign currency exposure, in accordance with the policy as approved by the Board. Group uses forward exchange contracts to mitigate its currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies through Swaps and Forwards.

The following table analyses unhedged foreign currency risk - US Dollars and EURO from financial instruments as of 30<sup>th</sup> September, 2018, 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016:

Particulars	(₹ in Million)							
	30.09.2018		31.03.2018		31.03.2017		31.03.2016	
	USD	Euro	USD	Euro	USD	Euro	USD	Euro
Trade Receivables	89.28	Nil	66.52	Nil	100.09	Nil	16.91	Nil
Other Financial Assets	Nil	Nil	0.33	8.59	1.93	7.37	Nil	8.00
Trade Payables	0.02	Nil	0.02	Nil	0.64	Nil	6.99	14.55
Borrowings	77.48	Nil	169.64	Nil	506.55	Nil	684.06	Nil
Other Financial Liabilities	2.39	219.89	2.93	Nil	4.81	Nil	16.64	Nil
<b>Net Assets (Liabilities)</b>	<b>169.17</b>	<b>219.89</b>	<b>239.44</b>	<b>8.59</b>	<b>408.70</b>	<b>7.37</b>	<b>676.80</b>	<b>22.55</b>

For the period ended 30<sup>th</sup> September, 2018 & year ended 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and respective currencies has affected the Group's incremental profit before tax as below:

Particulars	(₹ in Million)							
	Change in currency exchange rate	Effect on profit before tax	Change in currency exchange rate	Effect on profit before tax	Change in currency exchange rate	Effect on profit before tax	Change in currency exchange rate	Effect on profit before tax
US Dollars (USD)	+ 5%	(8.46)	+ 5%	(11.97)	+ 5%	(20.43)	5%	(33.84)
	- 5%	8.46	- 5%	11.97	- 5%	20.43	- 5%	33.84
EURO	+ 5%	(10.99)	+ 5%	(0.43)	+ 5%	(0.37)	+ 5%	(1.13)
	- 5%	10.99	- 5%	0.43	- 5%	0.37	- 5%	1.13

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligation with floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

The interest rate profile of Group's interest bearing financial instruments as reported by management is as follows:

Particulars	(₹ in Million)			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Foreign Currency Term Loan	365.67	573.10	967.65	1,897.24
	<b>365.67</b>	<b>573.10</b>	<b>967.65</b>	<b>1,897.24</b>

A reasonably possible change of 0.25 basis points in interest rates at the reporting date would have impacted profit before tax as below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	(₹ in Million)			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Increase in interest rate by 0.25 %	0.91	1.43	2.42	4.74
Decrease in interest rate by 0.25 %	(0.91)	(1.43)	(2.42)	(4.74)

c) **Other Price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk for the Group arises from financial assets such as investments in equity instruments, liquid mutual funds, debt mutual funds and bonds.

The Group is exposed to price risk arising mainly from investments in debt mutual funds, equity instruments, debentures and bonds recognised at FVTPL. As at 30<sup>th</sup> September, 2018 the carrying value of such debt mutual funds, equity instruments, debentures and bonds recognised at FVTPL amounts to ₹ 1,750.04 million (31.03.2018 - ₹ 1,350.34 million 31.03.2017 - ₹ 2,188.47 million and 31.03.2016 - ₹ 2,464.42 million). The details of such investments in equity instruments and bonds are given in Annexure 8 and 13.

Investments in Debentures, Bonds and Debt Mutual Funds, being debt instruments, the exposure to risk of changes in market rates is minimal.

**7. Fair Value of Investment Property:**

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, restrictive entry to the complex and age of building. This valuation is based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. The fair value measurement is categorised in level 2 fair value hierarchy. Fair value of Investment Property as on 30.09.2018 amounts to Nil (31.03.2018 - Nil 31.03.2017 - ₹ 7.35 million and 31.03.2016 - ₹ 20.53 million).

8. Under Sections 391-394 of the Companies Act, 1956, Quadrant Engineers Limited, wholly owned subsidiary of the Company ('transferor company'), had, pursuant to the approval of Board of Directors of the company, had filed petition before the Honourable High Courts of Judicature at Bombay, for its amalgamation with the Company, with effect from the appointed date - 1<sup>st</sup> April, 2015. The Scheme of Amalgamation ('the Scheme') has since been sanctioned by the Honourable High Court of Judicature at Bombay vide its order dated 2<sup>nd</sup> December, 2016. The Scheme is effective from 30<sup>th</sup> January, 2017. On coming into effect from the appointed date i.e. 1<sup>st</sup> April, 2015, the transferor company stand amalgamated with the Company on a going concern basis.

Quadrant Engineers Limited was engaged in the business of consultancy services.

The said amalgamation has been accounted for under the "Pooling of Interests" method as prescribed by Ind AS 103 – Business Combinations. As per Ind AS 103, Business Combinations arising between common control entities has to be accounted for retrospectively, accordingly the results of Quadrant Engineers Limited has been merged with the company w.e.f. 1<sup>st</sup> April, 2015, which is also the appointed date. In terms of the Scheme, all the assets and liabilities of the transferor company has been transferred to the Company at their respective book values and all inter-company balances have been cancelled. Since transferor company is a wholly owned subsidiary of the Company, the shares held by the Company in the aforesaid company stands cancelled and no shares were issued to effect the amalgamation.

9. Related Party Disclosures as required by Ind AS 24 are given below:

i) Relationships:

Name of Party with whom transactions have taken place	Nature of Relationship			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Airpower Windfarms Private Limited	Associate Company	Associate Company (w.e.f 28.02.2018)	-	-
Naresh Chander Oberoi	Chairman & Managing Director	Chairman & Managing Director	Chairman & Managing Director	Chairman & Managing Director
Bharat Naresh Oberoi	Joint Managing Director	Joint Managing Director	Joint Managing Director	Joint Managing Director
Lata Naresh Oberoi	-	-	Relative of the Key Management Personnel	Relative of the Key Management Personnel
Vania Oberoi	-	-	Relative of the Key Management Personnel	Relative of the Key Management Personnel
Vara Oberoi	-	-	Relative of the Key Management Personnel	Relative of the Key Management Personnel
Geeta Oberoi	-	-	Relative of the Key Management Personnel	Relative of the Key Management Personnel
Renu Naresh Oberoi	Whole Time Director	Whole Time Director	Relative of the Key Management Personnel Whole Time Director (w.e.f 20.03.2017)	Relative of the Key Management Personnel
Pradeep Gupta	Whole Time Director	Whole Time Director	Whole Time Director (w.e.f 02.09.2016)	-
Komal Manoj Nagdev	Company Secretary	Company Secretary	Company Secretary	Company Secretary (w.e.f 12.06.2015)
Vijay Kumar	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer	Chief Financial Officer
Shreekant Bhasin	-	Chief Executive Officer (upto 31.03.2018)	Chief Executive Officer	Chief Executive Officer
Kharatiram Kharak Puri	Relative of Key Management Personnel	Relative of Key Management Personnel	Relative of Key Management Personnel	Relative of Key Management Personnel
Powerica Sales and Services Private Limited	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control
Art Yarn Exports (India) Private Limited	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control (w.e.f 02.09.2016)	-
AWT Energy Private Limited	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control (w.e.f 02.09.2016)	-
Oberoi Family Trust.	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control	Enterprise over which Directors and their relatives are able to exercise significant control
L. N. Health Care Private Limited	-	-	Enterprise over which Directors and their	Enterprise over which Directors and their

			relatives are able to exercise significant control	relatives are able to exercise significant control
deGustibus Hospitality Private Limited	-	-	-	Enterprise over which Directors and their relatives are able to exercise significant control (Upto 03.07.2015)
Powerica Ltd employees group gratuity assurance trust	Post-Employment Benefits planned entity	Post-Employment Benefits planned entity	Post-Employment Benefits planned entity	Post-Employment Benefits planned entity

ii) Transactions during the period with related parties:

(₹ in Million)

Transactions	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Investments made during the Year:</b>				
Air Power Windfarms Private Limited.	Nil	1.25	NA	NA
<b>Buyback of Equity Shares:</b>				
Vania Oberoi	NA	NA	161.84	Nil
Vara Oberoi	NA	NA	161.84	Nil
Geeta Oberoi	NA	NA	323.68	Nil
<b>Erection, Installation &amp; Other Services rendered:</b>				
Air Power Windfarms Private Limited	120.06	170.82	NA	NA
<b>Purchases:</b>				
AWT Energy Private Limited	11.37	3.26	4.09	NA
<b>Services Received:</b>				
AWT Energy Private Limited	2.90	13.28	13.21	NA
<b>Rent Income:</b>				
Airpower Windfarms Private Limited	0.05	0.01	NA	NA
deGustibus Hospitality Private Limited	NA	NA	NA	0.67
L. N. Healthcare Private Limited	NA	NA	Nil	1.71
Powerica Sales & Services Private Limited	Nil	Nil	0.04	0.04
AWT Energy Private Limited	0.33	0.96	0.74	NA
Art Yarn Exports (India) Private Limited	0.90	1.80	1.05	NA
<b>Expenses Incurred on Behalf of us:</b>				
AWT Energy Private Limited	Nil	0.02	0.06	NA
<b>Expenses Incurred, Re-imbursed to us:</b>				
Airpower Windfarms Private Limited	11.40	1.48	NA	NA
AWT Energy Private Limited	Nil	₹ 1,745	Nil	NA
Powerica Sales & Services Private Limited	Nil	0.08	Nil	Nil
<b>Rent Expenses:</b>				
Oberoi Family Trust	0.90	1.80	1.80	1.80
<b>Hotel Expenses:</b>				
deGustibus Hospitality Private Limited	NA	NA	NA	0.08

<b>Advance Given:</b>				
Powerica Sales & Services Private Limited	Nil	Nil	Nil	0.05
Bharat Naresh Oberoi	Nil	Nil	Nil	11.15
<b>Loan Given:</b>				
Airpower Windfarms Private Limited	132.50	37.75	NA	NA
<b>Loan Repaid:</b>				
Airpower Windfarms Private Limited	4.10	Nil	NA	NA
<b>Director Sitting Fees &amp; Commission:</b>				
Lata Naresh Oberoi	Nil	Nil	Nil	0.02
Kharatiram Kharak Puri	0.08	0.10	0.08	0.10
<b>Key Management Compensation:</b>				
<b>Short Term Employment Benefits</b>				
Naresh Chander Oberoi	22.95	45.87	54.54	42.41
Bharat Naresh Oberoi	18.40	36.47	45.73	49.72
Renu Naresh Oberoi	6.03	12.27	0.39	Nil
Pradeep Gupta	6.52	13.04	3.80	NA
Komal Manoj Nagdev	0.73	1.62	1.25	0.99
Shreekant Bhasin	NA	6.74	16.12	5.82
Vijay Kumar	4.20	8.39	8.07	21.98
<b>Post Employment Benefits</b>	0.03	0.77	1.18	0.06
<b>Advance Repaid:</b>				
Bharat Naresh Oberoi	Nil	Nil	11.15	Nil
<b>Repayment of Rent Deposit:</b>				
Renu Naresh Oberoi	Nil	Nil	Nil	1.20
<b>Purchase of Fixed Assets:</b>				
Powerica Sales & Services Private Limited	Nil	Nil	Nil	0.98
<b>Sale of Fixed Assets:</b>				
Shreekant Bhasin	Nil	Nil	0.20	Nil
<b>Contributions made to Group Gratuity Trust through premium paid to LIC:</b>				
Premium Paid	23.05	16.53	13.57	9.55
<b>Dividend Paid:</b>				
Naresh Chander Oberoi	10.95	Nil	Nil	146.57
Bharat Naresh Oberoi	35.80	Nil	Nil	113.46
Rajat Naresh Oberoi	Nil	Nil	Nil	35.00
Renu Naresh Oberoi	9.27	Nil	Nil	13.28
Lata Naresh Oberoi	Nil	Nil	Nil	6.80
Kharatiram Kharak Puri	10.59	Nil	Nil	52.95
<b>Share of Profit (Loss) of Associate:</b>				
Airpower Windfarms Private Limited	(2.85)	(0.02)	NA	NA

<b>Interest Income:</b>				
Airpower Windfarms Private Limited	6.65	0.23	NA	NA
Bharat Naresh Oberoi	Nil	Nil	Nil	0.81
<b>Corporate Guarantee given to bank on behalf of:</b>				
Airpower Windfarms Private Limited	50.00	Nil	NA	NA

iii) Outstanding as at Balance Sheet Date:

(₹ in Million)

	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Receivables:</b>				
de Gustibus Hospitality Private Limited	NA	NA	NA	0.41
Powerica Sales & Services Private Limited	Nil	Nil	Nil	0.05
Bharat Naresh Oberoi	Nil	Nil	Nil	12.31
Powerica Ltd employees group gratuity assurance trust	5.12	6.46	0.86	0.38
Airpower Windfarms Private Limited	24.55	112.16	NA	NA
AWT Energy Private Limited	Nil	₹ 1,745	Nil	NA
Oberoi Family Trust	0.90	Nil	Nil	Nil
<b>Payables:</b>				
deGustibus Hospitality Private Limited	NA	NA	NA	0.09
AWT Energy Private Limited	0.39	Nil	0.98	NA
Kharatiram Kharak Puri	Nil	Nil	0.02	Nil
Udai Dhawan	Nil	Nil	0.02	Nil
<b>Rent Deposits:</b>				
Oberoi Family Trust	0.45	0.45	0.45	0.45
<b>Investments:</b>				
Airpower Windfarms Private Limited	-	1.23	NA	NA
<b>Loan Given:</b>				
Airpower Windfarms Private Limited	177.15	48.75	NA	NA
<b>Corporate Guarantee given to bank on behalf of:</b>				
Airpower Windfarms Private Limited	50.00	Nil	NA	NA

Group has completed an independent evaluation for all transactions, for the period ended 30.09.2018, for the year ended 31.03.2018, 31.03.2017 and has reviewed the same for the year ended 31.03.2016 to determine whether the transactions with associate enterprises are undertaken at arm's length price based on the internal pricing review and validation, Group believes that all transaction with associated enterprises are on arm's length basis.

Outstanding balances at the period ended and years ended are unsecured and settlement occurs in cash.

**Additional Disclosures for Related Party Transactions:**

Loans given to subsidiaries and associate outstanding as on respective dates:

Name of Company	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Subsidiaries</b>				
Airpower Windfarms Private Limited	Nil	Nil	1.00	Nil
Nandurpathar Windfarm Limited	1.50	1.50	0.50	Nil
Vartaman Wind Energy Private Limited	26.50	16.50	4.00	Nil
Sovereign Windfarms Private Limited	5.00	5.00	Nil	Nil
Vespower Windfarms Private Limited	1.00	Nil	Nil	Nil
Gooty Windfarms Private Limited	1.00	Nil	Nil	Nil
<b>Associate</b>				
Airpower Windfarms Private Limited	177.15	48.75	Nil	Nil

Above loan carries interest rate of 10% per annum and are repayable within a period of one year with an option for renewal of the same for a further period of one year with the consent of both the Companies. During the period ended 30.09.2018, Company had given a Corporate Guarantee to bank on behalf of Airpower Windfarms Private Limited amounting to ₹ 50.00 million.

**10. Income Taxes:**

a) Tax Expense Recognised in Profit and Loss

	₹ in Million			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Current Tax Expense for the period	129.33	254.33	283.74	334.68
MAT Credit Entitlement	(86.61)	(0.93)	(22.16)	-
Deferred tax expense/(benefit), net				
Origination and reversal of timing difference	(68.02)	(128.55)	(143.94)	(137.89)
<b>Tax Expense for the period</b>	<b>(25.30)</b>	<b>124.85</b>	<b>117.64</b>	<b>196.79</b>

b) Tax Expense Recognised in Other Comprehensive Income:

	₹ in Million			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Items that will be reclassified to profit or loss in subsequent years:</b>	Nil	Nil	Nil	Nil
<b>Items that will not be reclassified to profit or loss in subsequent years:</b>				
Re-measurement gains (losses) on defined benefits plans	(0.48)	(1.44)	3.00	0.20
<b>Total</b>	<b>(0.48)</b>	<b>(1.44)</b>	<b>3.00</b>	<b>0.20</b>

c) Reconciliation of effective tax rate:

	₹ in Million			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Profit Before Tax	537.10	1,085.41	1,298.35	963.27
Domestic Tax Rate	34.944 %	34.608 %	34.608 %	34.608 %
Tax using the Company's domestic tax rate	187.68	375.64	449.33	333.37
<b>Tax Effect Of:</b>				
Expenses not deductible	1.61	2.62	1.38	7.92
Current Year losses for which no deferred tax assets were recognised	1.56	0.48	0.93	1.68
Tax Effect which is chargeable at different rates	(11.85)	(31.81)	(86.45)	(16.91)
Exemption of profit linked incentives	(201.46)	(175.18)	(191.36)	(96.86)
Investment Allowance	Nil	Nil	(48.85)	Nil
Income not taxable	(3.27)	(37.71)	(9.19)	Nil
Others	0.43	(9.19)	(7.56)	(32.41)
MAT Credit Entitlement Restatement Adjustments	Nil	Nil	9.41	Nil
<b>Current and Deferred Tax Expense (excluding prior year taxes) as per note 10(a) above</b>	<b>(25.30)</b>	<b>124.85</b>	<b>117.64</b>	<b>196.79</b>

d) Movement in Deferred Tax Balances:

(₹ in Million)

Particulars	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Deferred Tax Liabilities</b>				
Property, Plant and equipment	799.20	856.63	976.77	1,092.44
Gain on Financial Instruments at fair value through profit & loss	17.70	35.97	15.55	40.95
Others	Nil	Nil	15.67	14.11
<b>Total Deferred Tax Liabilities</b>	<b>816.90</b>	<b>892.60</b>	<b>1,007.99</b>	<b>1,147.50</b>
<b>Deferred Tax Asset</b>				
Leave Encashment	12.31	12.22	10.76	5.93
Bonus	12.01	22.13	19.93	15.46
Re- measurement gains(losses) on defined benefit plans	0.85	1.16	3.20	0.20
MAT Credit Entitlement	743.99	657.37	656.44	634.28
Others	15.45	13.28	3.21	8.01
<b>Total Deferred Tax Asset</b>	<b>784.61</b>	<b>706.16</b>	<b>693.54</b>	<b>663.88</b>
Deferred tax liabilities after set off	32.29	186.44	314.45	483.62

## ANNEXURE 39 - Segment Reporting

### A. Basis for Segmentation

The Group has following business segments which are its reportable segments. These units offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

Reportable Segments	Operation
Diesel Generating Sets -	Manufacturing and trading in diesel generating sets, components and erection, installation, commissioning, operation, maintenance & other services relating to diesel generating sets.
Wind Turbine Generators -	Generation of electricity from Wind Turbine Generators and erection, installation, commissioning, operation, maintenance, project management & other services relating to Wind Turbine Generators.

### B. Information about the Group's business segments is given below:

(₹ in Million)

Sr. No		Diesel Generating Sets				Wind Turbine Generators				Total			
A	<u>Revenue</u>	30.09.2018	31.03.2018	31.03.2017	31.03.2016	30.09.2018	31.03.2018	31.03.2017	31.03.2016	30.09.2018	31.03.2018	31.03.2017	31.03.2016
	External Sales	5,424.93	11,197.52	12,464.92	11,902.56	1,194.42	1,589.24	1,694.81	1,161.67	6,619.35	12,786.76	14,159.73	13,064.23
	Inter Segment Sales	Nil	0.38	1.36	Nil	Nil	Nil	Nil	Nil	Nil	0.38	1.36	Nil
	Segment Revenue	5,424.93	11,197.90	12,466.28	11,902.56	1,194.42	1,589.24	1,694.81	1,161.67	6,619.35	12,787.14	14,161.09	13,064.23
	Less: Inter Segment Eliminations									Nil	0.38	1.36	Nil
	Total Revenue									6,619.35	12,786.76	14,159.73	13,064.23
B	<u>Segment Results (PBT)</u>	(25.77)	660.09	745.93	930.14	573.78	409.78	404.23	-87.76	548.01	1,069.87	1,150.16	842.38
C	<u>Specified Amounts included in Segment Results</u>												
	Depreciation & Amortisation	84.82	170.39	168.48	190.68	327.15	718.69	722.44	804.07	411.97	889.08	890.92	994.75
	Interest Income	12.54	8.95	6.13	8.38	4.37	11.22	14.60	5.34	16.91	20.17	20.73	13.72

Sr. No		Diesel Generating Sets				Wind Turbine Generators				Total			
	Interest Expense	4.52	28.00	122.56	57.30	16.28	73.33	99.35	168.91	20.80	101.33	221.91	256.21
D	<b>Reconciliation of Segment Result with Profit After Tax</b>												
	Segment Results	(25.77)	660.09	745.93	930.14	573.78	409.78	404.23	-87.76	548.01	1,069.87	1,150.16	842.38
	Interest Income									4.47	21.26	24.88	60.24
	Net gain arising on financial assets measured at FVTPL									-53.88	-93.37	31.86	127.37
	Gain on sale of financial assets measured at FVTPL									95.11	193.22	183.11	26.60
	Dividend received									0.77	0.01	0.09	Nil
	Unallocated Corporate Income/ (Expenses)- Net									-54.53	-105.58	-91.75	-93.32
	Income Taxes									-25.30	124.85	117.64	196.79
	Share of Profit (Loss) of Associate									-2.85	-0.02	Nil	Nil
	Profit After Tax as per Statement of Profit and Loss									562.40	960.54	1,180.71	766.48
E	<b>Other Information</b>												
	Segment Assets	5,767.89	5,171.56	5,180.08	4,844.38	6,118.25	6,070.97	6,283.85	6,690.51	11,886.14	11,242.53	11,463.93	11,534.89
	Unallocated Corporate Assets									1,836.82	1,443.48	2,232.03	2,558.47
	Total Assets									13,722.96	12,686.01	13,695.96	14,093.36
	Segment Liabilities	3,075.16	2,331.02	3,026.84	2,527.35	801.86	817.87	1,931.18	2,981.30	3,877.02	3,148.89	4,958.02	5,508.65
	Unallocated Corporate Liabilities									45.24	207.87	371.95	532.86
	Total Liabilities									3,922.26	3,356.76	5,329.97	6,041.51
	Total Capital Expenditure	19.57	114.61	241.85	94.90	212.41	904.05	46.01	470.41	231.98	1,018.66	287.86	565.31

**C. Reconciliation of other material items:**

(₹ in Million)

	Reportable segments total				Adjustments				Total			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016	30.09.2018	31.03.2018	31.03.2017	31.03.2016	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Interest Revenue	16.91	20.17	20.73	13.72	4.47	21.26	24.88	60.24	21.38	41.43	45.61	73.96
Interest Expense	20.80	101.33	221.91	256.21	Nil	Nil	Nil	Nil	20.80	101.33	221.91	256.21
Depreciation	411.97	889.08	890.92	994.75	Nil	0.12	0.44	0.69	411.97	889.20	891.36	995.44

**D. Geographical information:**

The geographical information analyses the Company's revenues and non-current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been on the geographical location of the assets.

**(i) Revenue (Net)**

(₹ in Million)

	30.09.2018	31.03.2018	31.03.2017	31.03.2016
Within India	6,333.42	12,171.05	12,916.29	11,862.01
Outside India	243.65	206.33	155.05	140.49
<b>Total</b>	<b>6,577.07</b>	<b>12,377.38</b>	<b>13,071.34</b>	<b>12,002.50</b>

- (ii) All Non-Current Assets (Non-Current Assets exclude financial instruments, deferred tax assets and post-employment benefit assets) of the Company are located in India.

**E. Major Customer:**

None of the individual customer accounted for more than 10% of the revenue for the period ended 30.09.2018 & years ended 31<sup>st</sup> March 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016.

**ANNEXURE 40 Material Adjustments to Restated Consolidated Financial Information and notes thereon**

**Note 1: Adjustments**

Following adjustments have been made in the Consolidated Statement of Assets & Liabilities, Consolidated Statement of Profit and Losses and Consolidated Statement of Cash Flows as under:

(₹ in Million)

Particulars	Note	Period Ended 30.09.2018	Year Ended 31.03.2018	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Net Profit After Tax, as per Audited Financial Statements (A)</b>		563.04	996.96	1,202.39	765.55
Interest on Income Tax Refund	a	-	-	(3.73)	(16.41)
Interest Income on Trade Receivable	b	-	(45.26)	8.21	4.16
Income Tax - Excess (Short) Provision	c	0.25	0.78	(20.86)	8.55
Minimum Alternate Tax	d	-	(4.88)	(9.41)	-
Deferred Tax (charge)/ credit on restated adjustments	e	-	15.66	(1.55)	4.24
<b>Total of Adjustments (B)</b>		0.25	(33.70)	(27.34)	0.54
<b>Net Profit After Tax, as restated (A+B)</b>		563.29	963.26	1,175.05	766.09

**Notes to Material Adjustments in Restated Consolidated Financial Information:**

a) **Interest on Income Tax Refund:**

Interest on Income Tax Refund has been recorded in the year of receipt. The Company on restatement has restated the recorded interest income pertaining to the year and been recorded to the respective years. Interest pertaining to the period upto 31<sup>st</sup> March, 2015 has been adjusted to the surplus as per profit and loss as on 1<sup>st</sup> April, 2015.

b) **Interest Income on Trade Receivable:**

For the year ended 31<sup>st</sup> March, 2018 the Company had accrued interest receivable from a debtor on the basis of Supreme Court Order has been restated to the year to which it pertains. Interest pertaining to the period upto 31<sup>st</sup> March, 2015 has been adjusted to the surplus as per profit and loss as on 1<sup>st</sup> April, 2015.

c) **Income Tax - Excess (Short) Provision:**

In the audited financial statements, for the period ended 30<sup>th</sup> September, 2018 & year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 the Company had considered the tax effects of income tax return filings, assessment proceedings, appeal effects and all other information made in year of crystallisation of demand/refund. On restatement, such amounts have been recorded in respective year to which the income tax assessment relates.

d) **Minimum Alternate Tax:**

In the financial statements for the year ended 31<sup>st</sup> March, 2018, MAT credit accounted for pertaining to earlier year based on returns filed with Income-tax authorities. For the purpose of these statements, such taxes have been appropriately adjusted in the respective financial year to which they relate.

e) **Deferred Tax (charge)/credit on restated adjustments:**

Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the restated profits and losses for the period ended 30<sup>th</sup> September, 2018 & year ended 31<sup>st</sup> March, 2018, 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 and Surplus as per profit and loss as on 1<sup>st</sup> April, 2015.

**Note 2: Material Regroupings**

Appropriate adjustments have been made in the restated consolidated financial statements, wherever required, by a reclassification of the corresponding items of income, expense, assets, liabilities and cash flows, in order to bring them in line with the groupings as per the audited financials of the Company for the period ended 30<sup>th</sup> September, 2018.

**ANNEXURE 41 - Restated Consolidated Statement of Accounting Ratios**

Particulars	For the period ended			
	30.09.2018 **	31.03.2018	31.03.2017	31.03.2016
<b>Face value of Equity Shares (₹) *</b>	5	5	5	5
Profit after tax - Restated (₹ in Million)	563.29	963.26	1,175.05	766.09
Earnings (Deficit) Per Share - Basic (₹) - Diluted (₹)	14.79 14.79	25.29 25.29	29.33 29.33	18.19 18.19
<b>Weighted Average number of equity shares outstanding during the period *</b>	3,80,92,129	38,092,129	40,068,950	42,123,078
<b>Net Worth (₹ in Million)</b>	9,800.70	9,329.25	8,365.99	8,051.85
Return on Net Worth (%)	5.75	10.33	14.05	9.51
Net Asset Value Per Share (₹)	257.29	244.91	219.63	191.15
EBITDA (₹ in Million)	969.87	2,075.92	2,411.62	2,214.92
<b>Actual Number of shares outstanding at the end of the period *</b>	38,092,129	38,092,129	38,092,129	42,123,078

\*\*Not Annualised

\* Face Value and Number of Shares outstanding after giving effect to the bonus shares, splitting and consolidation of shares to Face Value of ₹ 5 each as approved by Annual General Meeting of Shareholders held on May 31, 2018.

**Notes:**

- 1) The ratios on the basis of Restated Consolidated financial information have been computed as below:

Basic and Diluted Earnings per share (₹) = Net profit as restated, attributable to Equity Shareholders  
Weighted Average number of equity shares outstanding during the year

Net Asset Value (NAV) per equity share (₹) = Net Worth, as restated at the end of the year  
Number of Equity shares at the end of the year / period

Return on net worth (%) = Net profit after tax, as restated  
Net Worth, as restated at the end of the year

EBITDA (₹) = Profit before tax + Finance Costs + Depreciation and amortisation

- 2) The figures disclosed above are based on Consolidated Restated Financial Statements.
- 3) Earning Per Share calculations are done in accordance with Indian Accounting Standard 33 on "Earning Per Share" issued by the Institute of Chartered Accountants of India.
- 4) Net Worth means Equity Share Capital and Reserves and Surplus as appearing in Consolidated Restated Statement of Assets and Liabilities.

**As per our attached report of even date**

For Jayantilal Thakkar & Co.  
Chartered Accountants

For and on behalf of the Board

Viral A. Merchant  
Partner

Naresh Chander Oberoi  
Chairman & Managing Director  
DIN: 00009000

Bharat Naresh Oberoi  
Joint Managing Director  
DIN: 00083664

Vijay Kumar  
Chief Financial Officer

Komal Manoj Nagdev  
Company Secretary

Mumbai, February 5, 2019

**ANNEXURE 42 – Restated Consolidated Statement of Dividend Paid**

Particulars	For the period ended			
	30.09.2018	31.03.2018	31.03.2017	31.03.2016
<b>Equity Shares</b>				
Number of Shares	38,092,129	38,092,129	38,092,129	42,123,078
Face value per Share (₹)	5	2	2	2
Paid- up value per share (₹) **	5	2	2	2
Rate of Dividend (%)				
Interim (%)	-	100% *	-	500%
Final (%)	-	-	-	-
Amount of Dividend on Equity Shares				
Interim (₹ in Million)	-	76.18	-	421.23
Final (₹ in Million)	-			
Corporate Dividend Tax (₹ in Million)	-	15.66	-	85.75

\* Dividends approved by Board of Directors at their meeting held on 25th April, 2018 of ₹ 2/- per equity share before the financial statements were approved for issue, but not recognised as liability in the financial statements.

\*\* Face Value and Number of Shares outstanding after giving effect to the bonus shares, splitting and consolidation of shares to Face Value of ₹ 5 each as approved by Annual General Meeting of Shareholders held on May 31, 2018.

**As per our attached report of even date**

**For Jayantilal Thakkar & Co.  
Chartered Accountants**

**For and on behalf of the Board**

**Viral A. Merchant  
Partner**

**Naresh Chander Oberoi  
Chairman & Managing Director  
DIN: 00009000**

**Bharat Naresh Oberoi  
Joint Managing Director  
DIN: 00083664**

**Vijay Kumar  
Chief Financial Officer**

**Komal Manoj Nagdev  
Company Secretary**

**Mumbai, February 5, 2019**

## OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the year ended March 31, 2018, March 31, 2017, and March 31, 2016 and the reports thereon dated May 24, 2018, September 4, 2017 and May 9, 2016, respectively (“**Standalone Financial Statements**”) are available at <https://www.powericaltd.com/investors/>. We are providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company or any of its subsidiaries, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any BRLMs or Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

For details of accounting ratios, see “*Financial Statements – Annexure 4I*” on page 225.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2018, on the basis of our Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" beginning on pages 231, 146 and 20, respectively.

Particulars	Pre-Offer as at September 30, 2018	As adjusted for the proposed Offer
<b>Total borrowings</b>	<b>365.67</b>	-
Short term borrowings*	77.84	-
Long term borrowings (including current maturity)*	288.19	-
 <b>Total equity</b>	<b>9,800.70</b>	-
Share capital*	190.46	-
Reserves and surplus*	9,610.24	-
Money received against share warrants*	0.00	-
 <b>Total Capital</b>	<b>190.46</b>	-
Ratio: long term borrowings/ total equity	0.03:1	-

\* These terms shall carry the meaning as per Schedule III of the Companies Act, 2013 (as amended).

## FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for the purposes of meeting its working capital requirements and capital expenditure, including, purchase / import of machinery and equipment for setting up of wind mills. Our Company also provides guarantees in relation to the loans availed by our Subsidiaries, as and when required. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities, such as change in its capital structure, change in its shareholding pattern, and amendments to its constitutional documents, in connection with the proposed Offer.

As on December 31, 2018, the outstanding amount under the borrowings of our Company and our Subsidiaries was ₹ 3,633.64 million.

The details of aggregate indebtedness of our Company and our Subsidiaries as on December 31, 2018 is provided below:

Category of Borrowing	Sanctioned Amount (in ₹ million)	Outstanding Amount as on December 31, 2018 (in ₹ million)*
<b>Company</b>		
<b>Term Loans</b>		
External commercial borrowings ("ECBs")	922.20	230.55
Rupee Term Loan	1,840.00	0.00
<b>Working Capital Loans</b>		
Fund-based <sup>(1)</sup>	6,310.00	74.54
Non fund-based <sup>(1)</sup>		3,328.55
<b>Total</b>	<b>9,072.20</b>	<b>3,633.64</b>

<sup>(1)</sup> For the working capital loans, there is a combined sanctioned limit.

\* As certified by the Statutory Auditors pursuant to the certificate dated February 11, 2019.

### Principal Terms of the Borrowings Availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company.

1. **Interest:** In respect of the term loans/ECBs availed by our Company, the interest rate typically ranges from Libor + 2% to Libor + 3% per annum. In respect of fund based working capital facilities availed by our Company, the interest rate typically is mutually agreed between us and the lender or marginal cost of funds based lending rate (MCLR) plus agreed spread.
2. **Tenor:** The typical tenor of the term loans/ECBs availed by our Company is four to 10 years, and of the working capital facilities is typically one year, with an option for renewal every year thereafter.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to create security in terms as set forth below.
  - a) Create a first *pari passu* charge on the movable properties of the projects, including plant and machinery, machinery spares, tools, accessories, furniture, fixtures, vehicles, raw material, stock-in-trade, inventory and all other movable properties of whatsoever nature;
  - b) Create a first *pari passu* charge on book debts, present and future stocks/inventory, intangible assets and present and future receivables of our Company, including all benefits and rights incidental thereto;
  - c) Create fixed deposits; and
  - d) Grant a lien over debt mutual funds.
4. **Repayment:** While certain of our working capital facilities are repayable on demand, the repayment period for other working capital facilities typically ranges from one to three years. The ECBs/term loans availed by our Company are repayable in accordance with the terms of the respective loan arrangements.
5. **Prepayment:** Prepayment of our ECBs/term loans and working capital facilities is permitted with prior intimation to the respective lenders, and such prepayment is typically subject to prepayment penalties at the lender's discretion. However, prepayment of certain working capital facilities require prior written permission of the respective lender.
6. **Covenants:** The sanction letters and agreements executed by our Company in relation to its borrowings stipulate certain covenants, terms and conditions, including:
  - a) restrictions upon further borrowings by our Company;
  - b) intimation requirements for any change in directors, beneficial owners, or amendment to constitutional documents;

- c) intimation requirements for changes in the shareholding pattern of our Company; and
  - d) requirement to maintain stipulated financial ratios.
7. *Events of Default:* The sanction letters and term loan agreements executed by our Company in relation to its borrowings stipulate certain events of default, including:
- a) our Company fails to pay any amount payable on the due date;
  - b) deterioration or impairment of any security interest created in favour of the lender;
  - c) any representation, warranty, or statement made by our Company in any loan documentation is or proves to have been incorrect or misleading in any material respect;
  - d) the occurrence of any cross-default;
  - e) failure to comply with or pay any amount when due under any court order; and
  - f) any event or series of events, which in the opinion of the lender, have had or are reasonably likely to have a material adverse effect on the financial condition, results or operations of our Company.

The above 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 our Company.

## **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 consolidated financial statements as of and for the six months ended September 30, 2018 and the financial years ended March 31, 2018, 2017 and 2016, including the related notes, schedules and annexures. This Restated Financial Information has been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable.*

*Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

*This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" beginning on pages 19 and 20, respectively.*

### **Overview**

We are an end-to-end power solution provider of diesel generator sets, both primary and secondary, and we are one of three Original Equipment Manufacturers ("OEMs") in India for Cummins India Limited ("Cummins India") and together with its Indian and global affiliates, ("Cummins"). We are also in the wind power business, as an Independent Power Producer ("IPP") and as Engineering, Procurement and Construction ("EPC") developer for other IPPs.

We provide diesel generator solutions to our customers by way of manufacturing, marketing and supply, installation, testing and commissioning and after-sales servicing and maintenance of diesel generator sets. We manufacture certain auxiliary systems for diesel generator sets, such as acoustic enclosures, fuel and exhaust systems and power and control systems. We also provide pre-purchase consultancy, design, engineering, sale, installation, lease, operation and maintenance of medium speed large generator sets ("MSLG"). We commenced our diesel generator set business in India in 1984 and our MSLG business in 1996. We cater to customers in the states of Maharashtra, Goa, Karnataka, Kerala, Tamil Nadu and the union territories of Puducherry and Andaman and Nicobar Islands for our diesel generator set business.

We diversified into the wind power business and commissioned our first wind power project in 2008. We commenced our EPC business for our own IPP projects in 2012 and for other IPPs in 2014. The wind power projects we own have a total operational capacity of 203.35 MW. We develop, build, own and operate wind power projects that generate electricity for utility companies and since 2014, we have developed balance of plant for wind power projects with aggregate generation capacity of 142.6 MW.

Our Company is promoted by Naresh Chander Oberoi, Bharat Naresh Oberoi and Kharatiram Kharak Puri, who have been involved in the diesel generator set business for several decades and led our foray into the wind energy business.

Our total income was ₹ 6,665.82 million, ₹ 12,913.17 million, ₹ 14,415.43 million and ₹ 13,278.43 million, while our profit was ₹ 562.40 million, ₹ 960.54 million, ₹ 1,180.71 million and ₹ 766.48 million for the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, respectively.

### **Significant Factors Affecting Our Results of Operations and Financial Condition**

Our results of operations and financial condition are affected by a number of important factors including:

#### ***Demand for power in India***

Changes in the price of oil, coal and other energy sources as well as the availability and reliability of grid-generated power affects the demand for power and our diesel generator sets. As demand for grid-generated power has increased, we have experienced corresponding increases in demand for our diesel generator sets. We believe that diesel generator sets offer energy availability and relative mobility allowing for relatively easier deployment at customer sites. However, demand for our diesel generator sets may be affected by changes in the price of diesel and the emergence of alternative fuel generator sets, such as biodiesel generator sets. Similarly, we may experience a decline in demand for our MSLG generator sets if the price of oil or cheaper heavy fuel grades such as heavy fuel oil, low sulphur heavy stock and light diesel oil were to increase. In addition, increased levels and greater reliability of grid-generated power may also affect demand for our generator sets. With respect to our wind power business, the relative attractiveness and demand for wind power can be affected by the cost of electricity generated by conventional resources, such as oil, coal and other fossil fuels, and other renewable sources such as solar, biomass and hydroelectric power. Consequently, any adverse change in the demand for power may affect our results of operations and financial condition.

#### ***Our relationship with Cummins India, Hyundai and Vestas***

We sell a wide variety of diesel generators, which utilize Cummins engines and alternators. We, however, do not have a long-term contractual agreement with Cummins India and they issue us a non-exclusive authorized OEM certificate on a yearly basis. For the financial year 2018, we had a 37.18% share (in terms of total revenues) of the total OEM market of Cummins India, the highest share among its OEMs (*Source: TechSci Report*). However, our sales can be affected by capacity limitations at Cummins.

In addition, the prices that Cummins India stipulates for its products affect the prices at which we can offer our diesel generator sets. While we are actively looking at diversifying our revenue streams, our continued relationship with Cummins, the performance of our Cummins division and the demand for Cummins products in India are significant factors affecting our result of operations. In our MSLG business, we have been working with Hyundai since September 2014. We expect to continue to grow our emergency diesel generator set applications and base load applications business based on our relationship with Hyundai.

Our wind power EPC business strategy is primarily based on our Company's joint venture agreement with Vestas. In our wind power IPP business, Vestas has supplied and currently maintains 10 of our 11 operational wind farms. Vestas is also responsible for supplying, erecting and commissioning 23 wind turbines for the Bhatel Wind Farm. Any failure by Vestas to carry out its obligations or deterioration in its financial condition may have an effect on our wind power business.

### ***Wind energy business***

#### *Impact of weather and seasonality on our operations*

Weather conditions can have a significant effect on our wind power business. The profitability of our wind power assets is directly correlated to wind conditions at our asset sites. Variations in wind conditions occur because of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long-term, as a result of more general climate changes. In particular, wind conditions are generally tied to the monsoon season in India and are affected by the strength of each particular monsoon season. During the period from March to September, which includes the monsoon season in several parts of India, we generate a majority of our annual production during this period. Weather patterns are likely to have an influence on wind patterns in the states in which we operate and, consequently on the resources generated by our wind power assets.

#### *Relationship with and financial condition of DISCOMs*

During the six months ended September 30, 2018 and the financial year 2018, we derived 14.75% and 10.06% of our total income from DISCOMs under fixed price PPAs, respectively. These fixed price contracts enhance the security and long-term visibility of our revenues and limit the impact of market price variability on our revenues. However, our operations are highly dependent upon the DISCOMs' fulfilment of their contractual obligations, including timely payment of our dues.

#### *Financing requirements*

Our wind power business is capital intensive and we expect to incur substantial capital expenditure as we develop and continue to develop wind farms. We incur costs and expenses for the purchase of turbines and other power related equipment, the purchase of land, feasibility studies and construction costs. As a result, our ability to access cost-effective financing is crucial to our growth strategy. While we expect to fund construction of new assets with a combination of cash flows from operations and debt financing, our ability to arrange for such financing remains subject to factors affecting the macro-economic environment. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase and furthermore, may vary from time to time for debts subject to floating interest rates. This could have a significant effect on our profitability and cash flows.

Capital expenditures are also necessary to maintain and improve the operating conditions of our assets and meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and availability of contractors that can perform the necessary work to maintain and improve our assets, as well as changes in regulations, which could require us to make capital improvements to our assets.

#### *Government regulations and policies, including tax benefits available*

Our businesses and results of operations have been favorably affected by the Government of India's initiatives to further develop wind power and other sources of renewable energy in India. The growth of the renewable energy industry in India is dependent on the continued support of the Government of India, including various policies and regulations aimed at enhancing investment in renewable energy and greater private sector participation. For example, our wind farm business receives certain benefits and incentives in the form of accelerated depreciation benefits and deductions under section 80-IA and carbon credit sales under the UNFCCC's Clean Development Mechanism. Changes to government policies, however, that reduce or eliminate the benefits that we receive or expect to receive, could have an effect on our business and result of operations. Any changes in the tax laws resulting in an increase in our effective tax rate could have an effect on our profit after tax. Conversely, any reduction in our effective tax rate, most likely due to our qualifying for some type of tax holiday or other tax benefit, could have a positive effect on our results.

Our businesses are also subject to central and state environmental laws and regulations, a change in which could result in costs. For example, in case of any change in the applicable environmental laws and regulations, we may be required to incur significant amounts on relocation of our wind farms, which may not be possible. Stricter standards on emissions and noises from generator sets may require our suppliers such as Cummins to modify the engines and generator sets that they supply to us, and delays in these modifications, or a decision to cease supply to us altogether, could lead to disruptions in the supply of our products. Failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

## ***Availability of skilled labour***

We are heavily dependent on highly trained engineers and other skilled labor. The availability of skilled labor and trained engineers will be crucial for our operations and as we expand our diesel generator and our wind farm businesses. As of December 31, 2018, our design and engineering team consisted of 42 engineers from mechanical and electrical fields, and over 70% of our employees in our spare sales and service support team held engineering diploma degrees. Any inability to attract and retain suitable skilled personnel could significantly affect our business and result of operations.

## ***Competition***

The generator set industry is subject to intense competitive conditions, with respect to the technology, design, economy and quality of generator sets. Although we believe that we enjoy a leading position in the diesel generator set market in the regions in which we operate, as there are a limited number of competitors that possess a similar level of expertise, range of products and services and cost structure, some of our competitors may have greater financial resources, access to more advanced technology, larger research and development budgets or greater market penetration.

The wind power business is also subject to intense competitive conditions. Our competitors may have access to more suitable wind sites or lower financing sources, or may enjoy incentives which are not available to us. The switch from the feed-in-tariff regime to a bidding regime where bidders compete to offer the lowest power tariffs, could affect our ability to achieve our capacity targets if we do not win these auctions. Consequently, if competition in our lines of business intensifies, we may experience increased pressure on our growth and profitability.

## ***Statement of Significant Accounting Policies***

### ***Basis of Preparation***

Our Restated Financial Information has been prepared in accordance with the requirements of Sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 and the SEBI ICDR Regulations. Our Restated Financial Information has been prepared after incorporating the impact arising on account of changes in accounting policies adopted by our Company as at and for the six months ended September 30, 2018 applied with retrospective effect in the Restated Financial Information and adjustments for the material amounts in the respective financial years to which they relate.

The Restated Financial Information has also been prepared in accordance with Ind AS as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2016, we prepared our financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP') immediately before adopting Ind AS. The consolidated financial statements for the year ended March 31, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on our balance sheet, statement of profit and loss and statement of cash flows are provided in Annexure 6 of our Restated Financial Information.

The accounting policies are applied consistently to all the periods presented in the financial statements. The Restated Financial Information has been prepared on an accrual basis and going concern basis and under the historical cost basis unless otherwise indicated.

### ***Property, plant and equipment***

#### ***Recognition and measurement***

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other cost directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

All identifiable revenue expenses including interest incurred in respect of various projects/ expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under capital work-in-progress.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

#### *Transition to Ind AS*

On transition to Ind AS, we have elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2015, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

#### *Subsequent expenditure*

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to us.

#### *Depreciation*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives prescribed under Schedule II to the Companies Act, 2013 using the diminishing balance method, and is recognized in the statement of profit or loss. Freehold land is not depreciated. Premium on leasehold land has been amortized over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is ready for use (disposed of).

#### ***Intangible Assets***

##### *Recognition and measurement*

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to us and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss, if any.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

##### *Amortization*

Software is amortized over a period of three years on straight line basis from the date they are available for intended use, subject to impairment test. Rights of way are amortized over the period of agreement of right to use.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

##### *De-recognition*

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is de-recognized.

#### *Transition to Ind AS*

On transition to Ind AS, we have elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2015 measured as previous GAAP and use that carrying value as the deemed cost of intangible assets.

#### ***Revenue Recognition***

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods and services.

We satisfy a performance obligation and recognize revenue over time, if one of the following criteria is met:

- our performance does not create an asset with an alternate use to us and we have an enforceable right to payment for performance completed to date;
- our performance creates or enhances an asset that the customer controls as the asset is created or enhanced;

- the customer simultaneously receives and consumes the benefits provided by our performance.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. We assess our revenue arrangements against specific criteria to determine if we are acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue. Revenue is recognized to the extent it is probable that the economic benefits will flow to us and the revenue and costs, if applicable, can be measured reliably. Variable consideration includes volume discounts, price concessions, liquidity damages and incentives. We estimate the variable consideration with respect to above based on an analysis of accumulated historical experience. We adjust estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

#### *Sale of Products*

Performance obligation in case of revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. We collect GST on behalf of the Government and, therefore, these are not economic benefits flowing to us. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

#### *Rendering of Services*

Performance obligation in case of erection contracts is satisfied over the period of time. Since we create an asset that the customer controls as the asset is created and we have an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from such contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as “Unbilled Revenues” and billing in excess of contract revenue is reflected under “Contract Liabilities”.

Dividend income is recognized when right to receive dividend is established. Interest income is recognized on effective interest method. Insurance and other claims are recognized as a revenue on certainty of receipt on prudent basis.

Sale of Certified Emission Reductions (CERs) is recognized as income on the delivery of the CERs to the customer’s account as evidenced by the receipt of confirmation of execution of delivery instructions.

#### **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **Lease**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Leases rentals are charged to the statement of profit and loss on straight line basis.

#### **Income Taxes**

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is

recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. We offset current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **Provisions, Contingent Liabilities, Contingent Assets and Commitments**

Provisions are recognized when we have a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If there is any expectation that some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any virtually certain reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- possible obligation which will be confirmed only by future events not wholly within our control, or
- present obligations arising from past events where it is probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent liabilities are not recognized in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### **Our Business Segments**

We have following business segments which are our reportable segments:

*Diesel Generating Sets:* Manufacturing and trading in diesel generating sets, components and erection, installation, commissioning, operation, maintenance and other services relating to diesel generating sets.

*Wind Turbine Generators:* Generation of electricity from wind turbine generators and erection, installation, commissioning, operation, maintenance, project management and other services relating to balance of plant (“BOP”) of wind turbine generators.

The following tables set forth our segment information for the periods indicated:

	Diesel Generating Sets				Wind Turbine Generators				Total			
Revenue	Six months ended September 30, 2018	FY 2018	FY 2017	FY 2016	Six months ended September 30, 2018	FY 2018	FY 2017	FY 2016	Six months ended September 30, 2018	FY 2018	FY 2017	FY 2016
External Sales	5,424.93	1,197.52	12,464.92	11,902.56	1,194.42	1,589.2	1,694.8	1,161.6	6,619.35	12,786.76	14,159.73	13,064.23
Inter Segment Sales	Nil	0.38	1.36	Nil	Nil	Nil	Nil	Nil	Nil	0.38	1.36	Nil
Segment Revenue	5,424.93	11,197.90	12,466.28	11,902.56	1,194.42	1,589.2	1,694.8	1,161.6	6,619.35	12,787.14	14,161.09	13,064.23
Less: Inter Segment Eliminations									Nil	0.38	1.36	Nil
Total Revenue									6,619.35	12,786.76	14,159.73	13,064.23
Segment Results (PBT)	(25.77)	660.09	745.93	930.14	573.78	409.78	404.23	(87.76)	548.01	1,069.87	1,150.16	842.38
<b>Specified Amounts included in Segment Results</b>												
Depreciation & Amortisation	84.82	170.39	168.48	190.68	327.15	718.69	722.44	804.07	411.97	889.08	890.92	994.75
Interest Income	12.54	8.95	6.13	8.38	4.37	11.22	14.60	5.34	16.91	20.17	20.73	13.72
Interest Expense	4.52	28.00	122.56	57.30	16.28	73.33	99.35	168.91	20.80	101.33	221.91	256.21
<b>Reconciliation of Segment Result with Profit After Tax</b>												
Segment Results	(25.77)	660.09	745.93	930.14	573.78	409.78	404.23	(87.76)	548.01	1,069.87	1,150.16	842.38
Interest Income									4.47	21.26	24.88	60.24
Net gain arising on financial assets measured at FVTPL									(53.88)	(93.37)	31.86	127.37
Gain on sale of financial assets measured at FVTPL									95.11	193.22	183.11	26.60
Dividend received									0.77	0.01	0.09	Nil
Unallocated Corporate Income/ (Expenses)- Net									(54.53)	(105.58)	(91.75)	(93.32)
Income Taxes									(25.30)	124.85	117.64	196.79

	Diesel Generating Sets				Wind Turbine Generators				Total			
Share of Profit (Loss) of Associate									(2.85)	(0.02)	Nil	Nil
Profit After Tax as per Statement of Profit and Loss									562.40	960.54	1,180.71	766.48
<b>Other Information</b>												
Segment Assets	5,767.89	5,171.56	5,180.08	4,844.38	6,118.257	6,070.97	6,283.85	6,690.51	11,886.14	11,242.53	11,463.93	11,534.89
Unallocated Corporate Assets									1,836.82	1,443.48	2,232.03	2,558.47
Total Assets									13,722.96	12,686.01	13,695.96	14,093.36
Segment Liabilities	3,075.16	2,331.02	3,026.84	2,527.35	801.86	817.87	1,931.18	2,981.30	3,877.02	3,148.89	4,958.02	5,508.65
Unallocated Corporate Liabilities									45.24	207.87	371.95	532.86
Total Liabilities									3,922.26	3,356.76	5,329.97	6,041.51
Total Capital Expenditure	19.57	114.61	241.85	94.90	212.41	904.05	46.01	470.41	231.98	1,018.66	287.86	565.31

### Geographical information

The geographical information analyses our revenues and non-current assets by our country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been on the geographical location of the assets.

<i>Revenue (Net)</i>	<i>Six months ended September 30, 2018</i>	<i>Financial Year 2018</i>	<i>Financial Year 2017</i>	<i>Financial Year 2016</i>
Within India	6,333.42	12,171.05	12,916.29	11,862.01
Outside India	243.65	206.33	155.05	140.49
<b>Total</b>	<b>6,577.07</b>	<b>12,377.38</b>	<b>13,071.34</b>	<b>12,002.50</b>

### Income and Expenses

Our income and expenditure is reported in the following manner:

#### Income

Total income consists of revenue from operations and other income.

*Revenue from operations.* Revenue from operations comprises revenue from sale of products, income from services and other operating revenue, which comprises:

- revenue from sale of manufactured goods consisting of diesel generator sets;
- stock-in-trade representing the sale of traded goods which we purchase from suppliers and sell to end-users such as spare parts and materials sold to customers for execution of BOP under our wind EPC business;
- revenue from sale of electricity generated from our wind farms; and
- generation based incentive which depends on the number of units of electricity generated and supplied to customers of four of the eleven projects under our wind IPP business.
- revenue from erection, installation and other services including after sales and service rendered with respect to our diesel generator sets and MSLGs, and operations and maintenance service income in respect of our diesel generator sets; and
- revenue from erection, installation, project development consultancy and other services rendered comprising our wind EPC business.

*Other income.* Other income primarily includes net gain on sale of property, plant and equipment, net gain on financial assets measured at fair value through profit or loss (“FVTPL”) and interest income from current investments, net exchange variation gains, write-back of diminution in value of current investments, write-back of net amounts and miscellaneous income.

#### Expenses

Our expenses consist cost of raw materials consumed, purchase of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, excise duty on sales, employee benefit expense, finance cost, depreciation and amortization expense and other expenses.

*Cost of materials consumed.* Cost of raw materials consumed comprises costs incurred towards the purchase of all raw materials and components that we require for our operations.

*Purchase of stock-in-trade.* Purchase of stock-in-trade comprises expenses towards the purchase of goods which we purchase from suppliers and sell to end-users such as spare parts, and materials which we sell to customers for execution of BOP under our wind EPC business.

*Changes in inventories of finished goods, work-in-progress and stock-in-trade.* Changes in inventories of finished goods, work-in-progress and stock-in-trade comprises expenses towards the purchase of goods which we purchase from suppliers and sell to end-users such as spare parts, and materials which we sell to customers for execution of BOP under our wind EPC business.

*Employee benefit expenses.* Employee benefit expenses comprise expenditure towards employee remuneration and benefits including salaries and wages, contributions to the provident fund and other funds, defined benefit plan expenses and staff welfare expenses.

*Finance costs.* Our finance costs comprise mainly interest expenses, fees, commissions and other incidental borrowing costs.

*Depreciation and amortization expense.* Depreciation and amortization expenses comprises depreciation on tangible assets including our wind farm assets and registered corporate office, and amortization on intangible assets.

*Other expenses.* Other expenses primarily comprise erection expenses, operation and maintenance charges, labour charges, expenditure towards consumable stores, freight outward and octroi expenses, travelling expenses, legal and professional charges, conveyance and petrol expenses and miscellaneous expenses.

### Change in Tax Regime

Pursuant to the introduction of Goods and Service Tax (“GST”) with effect from July 1, 2017, Central Excise, Value Added Tax have been replaced by GST. In accordance with IND AS 18 on Revenue and Schedule III of the Companies Act, 2013, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect Taxes, Revenue from Operations for the financial year 2018 is not comparable with previous years. The following additional information is given to facilitate such comparison:

	Six months ended September 30, 2018	Financial Year		
		2018	2017	2016
Revenue from Operations (Gross)	6,577.07	12,631.35	14,062.92	12,991.24
Less: Excise Duty	-	253.96	991.58	988.74
Revenue from Operations (Net)	<b>6,577.07</b>	<b>12,377.39</b>	<b>13,071.34</b>	<b>12,002.50</b>

### Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016, the components of which are also expressed as a percentage of total income for such periods:

Particulars	Six months ended September 30, 2018		Financial Year				
	(₹ in million)	(% of Total revenue)	(₹ in million)	(% of Total revenue)	(₹ in million)	(% of Total revenue)	(₹ in million)
<b>INCOME:</b>							
Revenue from Operations	6,577.07	98.67	12,631.35	97.82	14,062.92	97.55	12,991.24
Other Income	88.75	1.33	281.82	2.18	352.51	2.45	287.19
<b>Total Revenue</b>	<b>6,665.82</b>	<b>100.00</b>	<b>12,913.17</b>	<b>100.00</b>	<b>14,415.43</b>	<b>100.00</b>	<b>13,278.43</b>
<b>EXPENSES:</b>							
Cost of Raw Materials Consumed	3,652.96	54.80	7,305.55	56.57	7,889.94	54.73	7,431.78
Purchase of Stock-In-Trade	443.11	6.65	799.85	6.19	774.19	5.37	703.10
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in Trade	(0.20)	(0.00)	(24.89)	(0.19)	60.73	0.42	(5.64)
Excise Duty on Sales	-	-	253.96	1.97	991.58	6.88	988.74
Employee Benefit Expense	494.56	7.42	982.97	7.61	957.53	6.64	788.23
Finance Cost	20.80	0.31	101.33	0.78	221.91	1.54	256.21
Depreciation & Amortization Expense	411.97	6.18	889.20	6.89	891.36	6.18	995.44
Other Expenses	1,102.67	16.54	1,519.79	11.77	1,329.84	9.23	1,157.30
<b>Total Expenses</b>	<b>6,125.87</b>	<b>91.90</b>	<b>11,827.76</b>	<b>91.59</b>	<b>13,117.08</b>	<b>90.99</b>	<b>12,315.16</b>
Profit Before Share (Loss) of Associate	539.95	8.10	1,085.41	8.41	1,298.35	9.01	963.27
Share of Profit (Loss) of Associate	(2.85)	(0.04)	(0.02)	(0.00)	-	-	-
<b>Restated Profit Before Tax</b>	<b>537.10</b>	<b>8.06</b>	<b>1,085.39</b>	<b>8.41</b>	<b>1,298.35</b>	<b>9.01</b>	<b>963.27</b>
Tax Expense:							
Current Tax	129.33	1.94	254.33	1.97	283.74	1.97	334.68
Deferred Tax Charge (Credit)	(68.02)	(1.02)	(128.55)	(1.00)	(143.94)	(1.00)	(137.89)
MAT Credit Entitlement	(86.61)	(1.30)	(0.93)	(0.01)	(22.16)	(0.15)	-
<b>Restated Profit for the Period / Year</b>	<b>562.40</b>	<b>8.44</b>	<b>960.54</b>	<b>7.45</b>	<b>1,180.71</b>	<b>8.19</b>	<b>766.48</b>
							<b>5.77</b>

## **Six months ended September 30, 2018**

### **Income**

*Revenue from operations.* Our revenue from operations was ₹ 6,577.07 million for the six months ended September 30, 2018, comprising sale of products, income from services and other operating revenue.

Our revenue from the sale of products for the six months ended September 30, 2018 comprised sale of manufactured goods of ₹ 4,455.67 million; we sold 3,575 diesel generator sets during the period, sale of electricity of ₹ 982.94 million, stock in trade of ₹ 545.80 million and generation based incentive – electricity of ₹ 43.51 million.

Our income from services for the six months ended September 30, 2018 comprised erection, installation and other services rendered of ₹ 394.81 million and project development consultancy of ₹ 120.06 million.

Our other operating revenue for the six months ended September 30, 2018 comprised income from leasing of ₹ 4.44 million and others of ₹ 29.84 million.

*Other income.* Our other income was ₹ 88.75 million for the six months ended September 30, 2018, primarily comprising net gain on financial assets measured at FVTPL of ₹ 41.23 million, interest income on others of ₹ 15.47 million, net gain on derivative contracts measured at FVTPL of ₹ 9.43 million and net gain on sale of property, plant and equipment of ₹ 8.58 million.

### **Expenses**

*Cost of raw materials consumed.* Cost of raw materials consumed was ₹ 3,652.96 million for the six months ended September 30, 2018.

*Purchase of stock-in-trade.* Purchase of stock-in-trade was ₹ 443.11 million for the six months ended September 30, 2018.

*Changes in inventories of finished goods, work-in-progress and stock-in trade.* Changes in inventories of finished goods, work-in-progress and stock-in trade was ₹ (0.20) million for the six months ended September 30, 2018.

*Employee benefit expense.* Employee benefit expense was ₹ 494.56 million for the six months ended September 30, 2018, primarily comprising salaries, wages, bonus and allowances of ₹ 448.61 million and contribution to provident and other funds of ₹ 28.16 million. As of September 30, 2018, we had 1,532 employees.

*Finance cost.* Our finance cost was ₹ 20.80 million for the six months ended September 30, 2018, comprising interest expenses of ₹ 15.07 million and other borrowing costs of ₹ 5.73 million.

*Depreciation and amortization expense.* Our depreciation and amortization expenses were ₹ 411.97 million for the six months ended September 30, 2018.

*Other expenses.* Our other expenses were ₹ 1,102.67 million for the six months ended September 30, 2018, primarily comprising claims as per arbitration award of ₹ 254.70 million, erection expenses of ₹ 158.47 million, operation and maintenance charges of ₹ 157.67 million and labour charges of ₹ 111.08 million.

*Total tax expense.* We received a tax credit of ₹ 25.30 million for the six months ended September 30, 2018, since we had a current tax expense of ₹ 129.33 million, which was offset by a deferred tax credit of ₹ 68.02 million and a MAT credit entitlement of ₹ 86.61 million.

*Profit for the period.* Our profit for the six months period ended September 30, 2018 was ₹ 562.40 million.

### **Financial Year 2018 compared to Financial Year 2017**

Our results of operations for the financial year 2018 were particularly affected by the following factors:

- a reduction in the number of VHHP diesel generator sets sold during the financial year 2018 and a reduction in average selling price of VHHP diesel generators; and
- a change in tax regime wherein we paid excise duty during the financial year 2017 and during the financial year 2018, we paid excise duty for the first quarter and thereafter transitioned to the Indian Goods and Services Tax regime.

### **Income**

Our total income decreased by 10.42% from ₹ 14,415.43 million for the financial year 2017 to ₹ 12,913.17 million for the financial year 2018.

*Revenue from operations.* Our revenue from operations decreased by 10.18% from ₹ 14,062.92 million for the financial year 2017 to ₹ 12,631.35 million for the financial year 2018, primarily due to:

- a decrease in the sale of manufactured goods from ₹ 10,491.03 million for the financial year 2017 to ₹ 9,241.41 million for the financial year 2018, primarily as a result of a decrease in the number of VHHP diesel generator sets sold and a reduction in the price per unit; the number of VHHP diesel generator sets sold decreased from 411 units during the financial year 2017 to 353 units sold during the financial year 2018.
- a decrease in income from services comprising erection, installation and other services and project development consultancy services from ₹ 1,148.16 million for the financial year 2017 to ₹ 1,033.45 million for the financial year 2018, primarily on account of the transition from a feed-in tariff regime to a bidding regime during the financial year 2018 leading to decline in implementation services.

The decrease in revenue from operations was partially offset by an aggregate increase in income from sale of electricity and generation based incentive - electricity to ₹ 1,359.86 million for the financial year 2018 from ₹ 1,253.30 million for the financial year 2017; we accounted for a full years revenue from the BDS wind farm during the financial year 2018 as compared to approximately two months revenue during the financial year 2017.

*Other income.* Other income decreased by 20.05% from ₹ 352.51 million for the financial year 2017 to ₹ 281.82 million for the financial year 2018, primarily due to a decrease in the net gain on financial assets measured at FVTPL by 53.55% from ₹ 214.97 million for the financial year 2017 to ₹ 99.85 million for the financial year 2018, which was partially offset by an increase in the net gain on sale of property, plant and equipment from ₹ 26.54 million for the financial year 2017 to ₹ 108.98 million for the financial year 2018.

### **Expenses**

*Cost of raw materials consumed.* Cost of raw materials consumed decreased by 7.41% from ₹ 7,889.94 million for the financial year 2017 to ₹ 7,305.55 million for the financial year 2018 due to an overall decrease in production volumes.

*Purchase of stock-in-trade.* Purchase of stock-in-trade increased by 3.31% from ₹ 774.19 million for the financial year 2017 to ₹ 799.85 million for the financial year 2018 primarily due to an increase in spares purchased for our after sales service business.

*Changes in inventories of finished goods, work-in-progress and stock-in trade.* Changes in inventories of finished goods, work-in-progress and stock-in trade was ₹ 60.73 million for the financial year 2017 as compared to ₹ (24.89) million for the financial year 2018 primarily attributable to the timing of manufacturing and sale of products.

*Excise duty on sales.* Excise duty on sales decreased from ₹ 991.58 million for the financial year 2017 to ₹ 253.96 million for the financial year 2018 primarily on account of introduction of GST from July 2017.

*Employee benefit expense.* Our employee benefit expense increased marginally by 2.66% from ₹ 957.53 million for the financial year 2017 to ₹ 982.97 million for the financial year 2018 primarily as a result of an increase in the number of employees from 1,502 as of March 31, 2017 to 1,544 as of March 31, 2018 and an increase in contribution to defined benefit plans from ₹ 8.80 million for the financial year 2017 to ₹ 25.02 million for the financial year 2018.

*Finance cost.* Our finance costs decreased by 54.34% from ₹ 221.91 million for the financial year 2017 to ₹ 101.33 million for the financial year 2018, primarily as a result of a decrease in interest expenses from ₹ 187.11 million for the financial year 2017 to ₹ 86.61 million for the financial year 2018 on account of a decrease in outstanding indebtedness during the financial year 2018 and a decrease in other borrowing costs from ₹ 34.80 million for the financial year 2017 to ₹ 14.72 million for the financial year 2018.

*Depreciation and amortization expense.* Our depreciation and amortization expenses decreased marginally from ₹ 891.36 million for the financial year 2017 to ₹ 889.20 million for the financial year 2018.

*Other expenses.* Other expenses increased by 14.28% from ₹ 1,329.84 million for the financial year 2017 to ₹ 1,519.79 million for the financial year 2018, primarily as a result of an increase in operation and maintenance charges from ₹ 156.40 million for the financial year 2017 to ₹ 235.45 million for the financial year 2018, an increase in labour charges from ₹ 157.00 million for the financial year 2017 to ₹ 197.50 million for the financial year 2018, and an increase in erection expenses from ₹ 226.44 million for the financial year 2017 to ₹ 265.12 million for the financial year 2018.

*Total tax expense.* Our total tax expense increased by 6.13% from ₹ 117.64 million for the financial year 2017 to ₹ 124.85 million for the financial year 2018. For the financial year 2017, we had a current tax expense of ₹ 283.74 million, a deferred tax credit of ₹ 143.94 million and a MAT credit entitlement of ₹ 22.16 million. For the financial year 2018, we had a current tax expense of ₹ 254.33 million, a deferred tax credit of ₹ 128.55 million and a MAT credit entitlement of ₹ 0.93 million. Our effective tax rate was 20.2% and 23.4% for the financial years 2017 and 2018, respectively.

*Profit for the year.* Our profit for the year decreased by 18.65% from ₹ 1,180.71 million for the financial year 2017 to ₹ 960.54 million for the financial year 2018.

### **Financial Year 2017 compared to Financial Year 2016**

Our results of operations for the financial year 2017 were particularly affected by the following factors:

- an increase in the number of diesel generator sets sold during the financial year 2017 and an increase in prices for generator sets;
- an increase in the number of projects in the wind EPC business; and
- an increase in income from sale of spare parts and services pursuant to our dealership arrangement with Cummins India.

### **Income**

Our total income increased by 8.56% from ₹ 13,278.43 million for the financial year 2016 to ₹ 14,415.43 million for the financial year 2017.

*Revenue from operations.* Our revenue from operations increased by 8.25% from ₹ 12,991.24 million for the financial year 2016 to ₹ 14,062.92 million for the financial year 2017 primarily due to:

- an increase in the sale of manufactured goods from ₹ 9,994.99 million for the financial year 2016 to ₹ 10,491.03 million for the financial year 2017; primarily as a result of increase in the number of VHHP diesel generator sets sold from 373 units during the financial year 2016 to 411 units during the financial year 2017; an increase in the number of HHP diesel generator sets sold from 756 units during the financial year 2016 to 798 units during the financial year 2017; and an increase in the number of MHP diesel generator sets sold from 2,530 units during the financial year 2016 to 2,773 units during the financial year 2017;
- an increase in income from erection, installation and other services rendered on diesel generator sets and wind turbine generators from ₹ 766.77 million for the financial year 2016 to ₹ 1,148.16 million for the financial year 2017, primarily on account of the commissioning of the EPC project in Gujarat where we completed 40 MW of projects for third party IPPs; and
- an increase in aggregate income from the sale of electricity and generation based incentive - electricity from ₹ 1,150.00 million for the financial year 2016 to ₹ 1,253.30 million for the financial year 2017.

*Other income.* Other income increased by 22.74% from ₹ 287.19 million for the financial year 2016 to ₹ 352.51 million for the financial year 2017, primarily due to an increase in the net gain on financial assets measured at FVTPL from ₹ 153.97 million for the financial year 2016 to ₹ 214.97 million for the financial year 2017, which was partially offset by a decrease in the interest income from current investments from ₹ 60.24 million for the financial year 2016 to ₹ 24.89 million for the financial year 2017.

### **Expenses**

*Cost of raw materials consumed.* Cost of raw materials consumed increased by 6.16% from ₹ 7,431.78 million for the financial year 2016 to ₹ 7,889.94 million for the financial year 2017 as a result of an overall increase in the manufacturing and sale of diesel generator sets and accessories.

*Purchase of stock-in-trade.* Purchase of stock-in-trade increased by 10.11% from ₹ 703.10 million for the financial year 2016 to ₹ 774.19 million for the financial year 2017 primarily due to an increase in the volume of spares purchased for our after sales service business.

*Changes in inventories of finished goods, work-in-progress and stock-in-trade.* Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (5.64) million for the financial year 2016 as compared to ₹ 60.73 million for the financial year 2017 primary attributable to the timing of manufacturing and sale of products.

*Excise duty on sales.* Excise duty on sales increased by 0.29% from ₹ 988.74 million for the financial year 2016 to ₹ 991.58 million for the financial year 2017 on account of increase in sale of manufactured goods.

*Employee benefit expense.* Our employee benefit expense increased by 21.48% from ₹ 788.23 million for the financial year 2016 to ₹ 957.53 million for the financial year 2017 primarily as a result of an increase in salaries, wages, bonus and allowances from ₹ 707.48 million for the financial year 2016 to ₹ 854.78 million for the financial year 2017, due to an increase in our number of employees as a result of the growth in our business and operations and annual compensation increments given to our employees. Our number of employees increased from 1,447 employees as of March 31, 2016 to 1,502 employees as of March 31, 2017.

*Finance cost.* Our finance costs decreased by 13.39% from ₹ 256.21 million for the financial year 2016 to ₹ 221.91 million for the financial year 2017, primarily as a result of a decrease in interest on borrowings from banks from ₹ 213.22 million for the financial year 2016 to ₹ 187.11 million for the financial year 2017 on account of a decrease in outstanding indebtedness during the financial year 2017 and a decrease in other borrowing costs from ₹ 42.99 million for the financial year 2016 to ₹ 34.80 million for the financial year 2017.

*Depreciation and amortization expense.* Our depreciation and amortization expenses decreased by 10.46% from ₹ 995.44 million for the financial year 2016 to ₹ 891.36 million for the financial year 2017.

*Other expenses.* Other expenses increased by 14.91% from ₹ 1,157.30 million for the financial year 2016 to ₹ 1,329.84 million

for the financial year 2017, primarily as a result of an increase in erection expenses from ₹ 173.31 million for the financial year 2016 to ₹ 226.42 million for the financial year 2017, an increase in labour charges from ₹ 131.99 million for the financial year 2016 to ₹ 157.00 million for the financial year 2017 and an increase in operation and maintenance charges from ₹ 132.04 million for the financial year 2016 to ₹ 156.40 million for the financial year 2017, which were partially offset by a decrease in provision for doubtful debts from ₹ 12.94 million for the financial year 2016 to ₹ 0.26 million for the financial year 2017.

*Total tax expense.* Our total tax expense decreased by 40.22% from ₹ 196.79 million for the financial year 2016 to ₹ 117.64 million for the financial year 2017. For the financial year 2016, we had a current tax expense of ₹ 334.68 million and a deferred tax credit of ₹ 137.89 million. For the financial year 2017, we had a current tax expense of ₹ 283.74 million, a deferred tax credit of ₹ 143.94 million and a MAT credit entitlement of ₹ 22.16 million. Our effective tax rate was 34.7% and 20.2% for the financial years 2016 and 2017, respectively.

*Profit for the year.* Our profit for the year increased by 54.04% from ₹ 766.48 million for the financial year 2016 to ₹ 1,180.71 million for the financial year 2017.

## Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Six months ended September 30, 2018	Financial Year			(₹ in millions)
		2018	2017	2016	
Net cash generated from operating activities	1,165.42	1,182.93	1,857.25	1,912.63	
Net cash (used in)/generated from investing activities	(701.57)	3.67	299.47	(868.24)	
Net cash (used in) financing activities	(328.70)	(1,504.71)	(1,919.48)	(1,191.34)	
Net increase/(decrease) in cash and cash equivalents	135.15	(318.11)	237.24	(146.95)	

### Operating Activities

Net cash generated from operating activities was ₹ 1,165.42 million for the six months ended September 30, 2018. While our net profit before tax was ₹ 537.10 million for the six months ended September 30, 2018, we had an operating profit before working capital changes of ₹ 932.78 million, primarily as a result of depreciation of ₹ 411.97 million and provision for doubtful debts of ₹ 31.26 million, which were partially offset by net gain on financial assets measured at FVTPL of ₹ 41.23 million and interest income of ₹ 21.39 million. Our changes in working capital for the six months ended September 30, 2018, primarily comprised an increase in trade receivables of ₹ 297.36 million and an increase in inventories of ₹ 120.53 million, which were partially offset by an increase in other current liabilities of ₹ 507.26 million and an increase in other current financial liabilities of ₹ 376.14 million.

Net cash generated from operating activities was ₹ 1,182.93 million for the financial year 2018. While our net profit before tax was ₹ 1,085.41 million for the financial year 2018, we had an operating profit before working capital changes of ₹ 1,826.24 million, primarily as a result of depreciation of ₹ 889.20 million and interest expense of ₹ 101.33 million, which were partially offset by net gain on sale of property, plant and equipment of ₹ 108.98 million and net gain on financial assets measured at FVTPL of ₹ 99.85 million. Our changes in working capital for the financial year 2018, primarily comprised an increase in other current assets of ₹ 318.54 million and an increase in trade receivable of ₹ 175.53 million, which were partially offset by an increase in trade payables of ₹ 187.95 million.

Net cash generated from operating activities was ₹ 1,857.25 million for the financial year 2017. While our net profit before tax was ₹ 1,298.35 million for the financial year 2017, we had an operating profit before working capital changes of ₹ 2,002.99 million, primarily as a result of depreciation of ₹ 891.36 million and interest expense of ₹ 221.91 million, which were partially offset by net gain on financial assets measured at FVTPL of ₹ 214.97 million and unrealised foreign valuation loss (net) of ₹ 94.89 million. Our changes in working capital for the financial year 2017, primarily comprised a decrease in other current assets of ₹ 290.51 million and an increase in other non-current liabilities of ₹ 235.58 million, which were partially offset by a decrease in trade payables of ₹ 296.05 million and a decrease in other current liabilities of ₹ 220.56 million.

Net cash generated from operating activities was ₹ 1,912.63 million for the financial year 2016. While our net profit before tax was ₹ 963.27 million for the financial year 2016, we had an operating profit before working capital changes of ₹ 1,833.17 million, primarily as a result of depreciation of ₹ 995.44 million and interest expense of ₹ 256.21 million, which were partially offset by unrealised foreign valuation loss (net) of ₹ 175.41 million and net gain on financial assets measured at FVTPL of ₹ 153.97 million. Our changes in working capital for the financial year 2016, primarily comprised an increase in trade payables of ₹ 399.54 million, decrease in inventories of ₹ 207.50 million and an increase in other current liabilities of ₹ 182.84 million, which were partially offset by an increase in trade receivable of ₹ 367.87 million and an increase in other current assets of ₹ 289.50 million.

### Investing Activities

Net cash used in investing activities was ₹ 701.57 million for the six months ended September 30, 2018, primarily consisting of

purchase of current investments of ₹ 736.19 million, purchase of property, plant and equipment of ₹ 231.95 million and loan given to associates of ₹ 128.40 million, which were partially offset by the sale of non-current investments of ₹ 378.94 million.

Net cash generated from investing activities was ₹ 3.67 million for the financial year 2018, primarily consisting of proceeds from sale of current and non-current investments of ₹ 591.61 million and ₹ 345.14 million, respectively, which were partially offset by expenditure towards purchase of property, plant and equipment of ₹ 1,018.65 million and proceeds from the sale of property, plant and equipment of ₹ 148.88 million.

Net cash generated from investing activities was ₹ 299.47 million for the financial year 2017, primarily consisting of proceeds from sale of current investments of ₹ 397.49 million, sale of non-current investments of ₹ 93.42 million and proceeds from the sale of property, plant and equipment of ₹ 80.90 million, which were partially offset by purchase of property, plant and equipment of ₹ 287.86 million.

Net cash used in investing activities was ₹ 868.24 million for the financial year 2016, primarily consisting of purchase of non-current investments of ₹ 1,049.72 million and purchase of property, plant and equipment of ₹ 565.31 million, which was partially offset by proceeds from sale of current investments of ₹ 709.68 million.

### **Financing Activities**

Net cash used in financing activities was ₹ 328.70 million for the six months ended September 30, 2018, primarily consisting of repayment of borrowings of ₹ 215.52 million and dividend and tax on dividend of ₹ 91.84 million.

Net cash used in financing activities was ₹ 1,504.71 million for the financial year 2018, primarily consisting of repayment of borrowings of ₹ 1,564.19 million and interest paid of ₹ 110.29 million, which was partially offset by proceeds from borrowings of ₹ 169.77 million.

Net cash used in financing activities was ₹ 1,919.48 million for the financial year 2017, primarily consisting of repayment of borrowings of ₹ 1,834.22 million, interest paid of ₹ 224.36 million and buy back of equity shares of ₹ 860.90 million, which was partially offset by proceeds from borrowings of ₹ 1,000.00 million.

Net cash used in financing activities was ₹ 1,191.34 million for the financial year 2016, consisting of dividend and tax on dividend of ₹ 506.98 million, repayment of borrowings of ₹ 422.05 million and interest paid of ₹ 262.31 million.

### **Indebtedness**

The following table sets forth our financial indebtedness as of December 31, 2018:

Particulars	As of December 31, 2018 (₹ in millions)
<b>Secured Loans</b>	
Long Term Borrowings	230.55
Short Term Borrowings	74.54
<b>Total secured loans</b>	<b>305.09</b>

In addition, as of December 31, 2018, we had outstanding bank guarantees and letters of credits of ₹ 3,328.55 million in relation to the performance of our contractual obligations. See “*Financial Indebtedness*” for a description of broad terms of our indebtedness on page 229.

In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition. See “*Risk Factors – Our financing agreements contain covenants that limit our flexibility in operating our business.*” on page 31.

### **Capital and Other Commitments**

The following table sets forth details of our commitments as of September 30, 2018:

Commitments	As at September 30, 2018 (₹ in millions)
Bank Letter of Credit outstanding	2,170.64
Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	2,515.13
Estimated amounts of contracts remaining to be executed on revenue account and not provided for, net of advances	102.48

The following table sets forth a summary of the maturity profile of our contractual obligations as of September 30, 2018:

Other contractual obligations	Payments due by period		
	Total	Less than 1 year	1 - 3 years
Debt obligations			

Other contractual obligations	Payments due by period		
	Total	Less than 1 year	1 - 3 years
Long term	288.19	230.55	57.64
Short term	77.48	77.48	-
<b>Total</b>	<b>365.67</b>	<b>308.03</b>	<b>57.64</b>

## Capital Expenditure

For the financial year 2019, we expect to incur planned capital expenditures of approximately ₹ 300 million towards the Bhatel wind farm. For the six months ended September 30, 2018, we incurred capital expenditure of ₹ 231.98 million, primarily in buildings, the Bhatel Wind Farm and vehicles. For the financial year 2018, we incurred capital expenditure of ₹ 1,048.19 million, primarily in buildings, plant and machineries and vehicles. For the financial year 2017, we incurred capital expenditure of ₹ 293.29 million, primarily in buildings, vehicles and plant and machineries. For the financial year 2016, we incurred capital expenditure of ₹ 570.48 million, primarily in vehicles, buildings, plant and machineries and software.

## Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities as of September 30, 2018:

Particulars	(in ₹ million)
a) Sales Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	2.16
b) Service Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	0.31
c) Excise Duty demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	3.20
d) Income Tax demand disputed, contested in appeal Amount paid there against and shown as Advances Recoverable	5.91
e) Corporate Guarantee given to bank on behalf of Associate	50.00
f) Bank Letter of Credit outstanding	2,170.64
g) Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances	2,515.13
h) Estimated amounts of contracts remaining to be executed on revenue account and not provided for, net of advances	102.48

## Non GAAP Measures

### EBITDA and EBITDA Margin

The following table sets forth our earnings before interest, taxes, depreciation and amortisation expenses (“EBITDA”) from our profit before tax, as restated, and the manner in which it is calculated for the six months ended September 30, 2018 and the financial years 2018, 2017 and 2016. We define our EBITDA Margin as EBITDA divided by revenue from operations (net).

Particulars	Six months ended September 30, 2018	Financial Year 2018	Financial Year 2017	Financial Year 2016
Profit Before Tax, as Restated	537.10	1,085.39	1,298.35	963.27
Add: Finance costs	20.80	101.33	221.91	256.21
Add: Depreciation and amortization expense	411.97	889.20	891.36	995.44
Less: Other Income	88.75	281.82	352.51	287.19
<b>EBITDA</b>	<b>881.12</b>	<b>1,794.10</b>	<b>2,059.11</b>	<b>1,927.73</b>
<b>EBITDA Margin (EBITDA as a percentage of revenue from operations)</b>	<b>13.40%</b>	<b>14.20%</b>	<b>14.64%</b>	<b>14.84%</b>

EBITDA and EBITDA Margin are not measurements of financial profitability or liquidity under Ind AS and should not be considered as an alternative to performance measures derived in accordance with Ind AS. We make no representations as to the methodologies used to define or calculate EBITDA and EBITDA Margin or whether these reflect an appropriate measure of our operating performance.

In addition, these are not standardized terms, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA and EBITDA Margin thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Ind AS. Some of the limitations with EBITDA are listed below:

- does not reflect cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, working capital needs;
- does not reflect certain tax payments that may represent reductions in cash available;
- does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
- does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on indebtedness.

Because of these and other limitations, you should consider EBITDA and EBITDA Margin along with other Ind AS-based financial performance measures, including various cash flow metrics, profit after tax, and our Ind AS financial results.

### **Off-Balance Sheet Commitments and Arrangements**

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

### **Quantitative and Qualitative Analysis of Market Risks**

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to credit risk, liquidity risk and market risk.

#### ***Credit risk***

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities. Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. We extend credit only to customers based on our past dealings and outstanding customer receivables are being monitored by individual business managers located in those geographies. We typically have credit terms of 30 to 45 days with our customers. Typically, an appropriate letter of credit / bank guarantee is obtained from the customers to cover the risk. As of September 30, 2018, March 31, 2018, 2017 and 2016, our trade receivables were ₹ 2,171.35 million, ₹ 1,904.13 million, ₹ 1,734.38 million and ₹ 1,677.92 million, respectively. The concentration of credit risk is limited due to the fact that our customer base is large. We do not have any single customer representing more than 5% of our total balance of trade receivables.

#### ***Liquidity risk***

Liquidity risk is the risk that we may not be able to meet our present and future cash and collateral obligations without incurring unacceptable losses. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

#### ***Market risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, foreign currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments. Our activities expose us to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. We use derivative financial instruments such as foreign exchange contracts and options to manage our exposures to foreign exchange fluctuations, as per foreign exchange exposure policy adopted by us.

#### ***Foreign currency risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The currencies in which these transactions are primarily denominated are US dollars and Euros. At any point in time, we cover foreign currency risks by taking appropriate hedges as a percentage of our foreign currency exposure, in accordance with the policy as approved by the Board. We use forward exchange contracts to mitigate our currency risk, most with a maturity of less than one year from the reporting date. In respect of other monetary assets and liabilities denominated in foreign currencies, our policy is to ensure that our net exposure is kept to an acceptable level by buying or selling foreign currencies through swaps and forwards.

#### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to the long-term debt obligation

with floating interest rates. The risk is managed by us by maintaining an appropriate mix between fixed and floating rate borrowings. The use of interest rate swaps are also entered into, especially to hedge the floating rate borrowings or to convert the foreign currency floating interest rates to the domestic currency floating interest rates.

#### *Other price risk*

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk for us arises from financial assets such as investments in equity instruments, liquid mutual funds, debt mutual funds and bonds. We are exposed to price risk arising mainly from investments in debt mutual funds, equity instruments, debentures and bonds recognised at FVTPL. As of September 30, 2018, the carrying value of such debt mutual funds, equity instruments, debentures and bonds recognised at FVTPL was ₹ 1,750.04 million (March 31, 2018: ₹ 1,350.34 million; March 31, 2017: ₹ 2,188.47 million and March 31, 2016: ₹ 2,464.42 million).

#### **Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

#### **Known Trends or Uncertainties**

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “*Significant Factors Affecting Our Results of Operations and Financial Condition*” and the uncertainties described in the section “*Risk Factors*” on pages 231 and 20, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

#### **Future Relationship between Cost and Revenue**

Other than as described in “*Risk Factors*” and this section, there are no known factors that might affect the future relationship between cost and revenue.

#### **Suppliers**

We rely heavily on Cummins India for our diesel generator set business and we source the engines and alternators used in our diesel generator sets from Cummins India. In our wind power business, we rely on Vestas for the supply of wind turbine generators and for operations and maintenance services.

#### **Competitive Conditions**

We expect to continue to compete with existing and potential competitors. For details, please refer to the discussions of our competition in the sections “*Risk Factors*” and “*Our Business*” on pages 20 and 95, respectively.

#### **Seasonality and Cyclicalities of Business**

Our revenues and results may be affected by seasonal factors. For example, inclement weather, including during the monsoon season, may delay or disrupt production and shipment of our goods. Further, some of our customers may have businesses, which may be seasonal in nature, and a downturn in demand for our products by such customers could reduce our revenue during such periods.

#### **New Products or Business Segments**

Except as disclosed in “*Our Business*” on page 95, we have not announced and do not expect to announce in the near future any new products or business segments.

#### **Significant Developments Occurring after September 30, 2018**

Except as set out in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

#### **Recent Accounting Pronouncements**

As of the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

## **SECTION VI: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*The details of the outstanding litigation or proceedings involving our Company, our Promoters, our Subsidiaries, our Group Companies and our Directors are described in this section in the manner as detailed below.*

*Except as disclosed in this section, there are no (i) pending criminal proceedings; (ii) pending actions taken by regulatory or statutory authorities; (iii) claims related to direct and indirect taxes, or (iv) other pending matters which are considered material pursuant to the materiality policy (as disclosed herein below), in each case involving our Company, our Subsidiaries, our Promoters and our Directors. Further, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action.*

*In relation to (iv) above, our Board has considered and adopted a policy of materiality for identification of material litigation. In terms of the materiality policy adopted by our Board, any outstanding litigation involving our Company and our Subsidiaries which exceeds 1% of the profit after tax of our Company as per the Restated Financial Information of our Company for the last completed Financial Year, would be considered material for our Company. The profit after tax of our Company as of and for the last Financial Year i.e. Financial Year 2018, is ₹ 960.54 million. Accordingly, in terms of the materiality policy adopted by our Board, any outstanding litigation:*

- (a) *involving our Company and our Subsidiaries where (i) the aggregate amount involved exceeds ₹ 9.6 million individually, (ii) the decision in one case is likely to affect the decision in similar cases, even though the amount involved in that individual litigation may not exceed ₹ 9.6 million; and (iii) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (i) or (ii) above, however where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.*
- (b) *involving our Promoters and Directors an adverse outcome of which would materially and adversely affect the business, operations or financial position or reputation of the Company, has been considered as material.*

*It is clarified that for the purposes of the above, pre-litigation notices received by our Company, our Promoters, our Subsidiaries, and our Directors from third parties (excluding such notices issued by any statutory/regulatory/taxation authorities or notices threatening criminal action) shall unless otherwise decided by the Board, not be considered as litigation until such time that our Company, our Promoters, our Subsidiaries and our Directors, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.*

*There are no outstanding litigation involving our Group Companies which may have a material impact on our Company.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹ 72 million, which is 5% of the total consolidated trade payables of our Company as per the latest Restated Financial Information of our Company included in this Draft Red Herring Prospectus, shall be considered as ‘material’. Accordingly, as on September 30, 2018, any outstanding dues exceeding ₹ 72 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

#### **I. Litigation involving our Company**

##### **A. Litigation filed against our Company**

###### ***Material Civil Proceedings***

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings involving our Company, except as set forth below.

1. Our Company (the “**Applicant**”) has filed an application against Neilan International Company Limited (“**Neilan**”) and others under Section 34 of the Arbitration and Conciliation Act, 1996 with the Additional City Civil and Sessions Judge, Bengaluru challenging the arbitral award (the “**Impugned Award**”) of the arbitral tribunal against the Applicant directing the Applicant to pay Neilan € 2.7 million relating to down payments under certain contracts and £366,779 relating to costs, expenses and fees incurred by Neilan. The Applicant alleged, *inter alia*, that the Impugned Award is contrary to public policy in India and the arbitral tribunal lacked jurisdiction, as there was no valid or binding arbitration agreement between the parties. Neilan had initiated arbitration before the International Court of Arbitration of the International Chamber of Commerce (the “**ICC**”) against the Applicant claiming, *inter alia*, damages for alleged breach of contract in the sum of € 2.7 million and/or payment of the amount by which the Applicant was unjustly enriched and/or a return of a sum of € 2.7 million and/or compensation for lost investment opportunity to be assessed in accordance with

Sudanese law. Neilan's claim arose as alleged assignees of the National Electricity Corporation of Sudan (the "NEC") under two contracts between NEC and the Applicant in 2006 (the "Contracts"). Neilan alleged, among others, that the Applicant did not actually carry out their obligations under the Contracts despite a down payment of € 2.7 million being made by NEC to the Applicant pursuant to the Contracts and that the Applicant had been unjustly enriched for the sum of € 2.7 million and Neilan is entitled to the amount claimed from the Applicant. The ICC passed the Impugned Award stating that the effective date of contract never occurred and held the Applicant liable to return the down-payment of € 2.7 million to Neilan and £366,779 relating to costs, expenses and fees incurred by Neilan. Aggrieved by the Impugned Award, the Applicant has filed this application. The matter is currently pending.

#### ***Other matters***

Other matters filed against our Company relates to, *inter alia*, allegations that land was allocated to our Company without following due process, land being used for wind turbines without the consent of the owner, land being used for installation of windmills without any right or interest and labour matters alleging wrongful termination of employment and discrimination in payment of wages.

#### ***Actions taken by regulatory and statutory authorities***

The Range Forest Officer, Ghudkhar Sanctuary, District Kutch (the "RFO") has issued a notice against our Company alleging that a windmill (the "WTG") is commissioned on sanctuary area at village Jangi, taluka Bhachau and has asked our Company to submit the relevant permissions obtained in relation to the land. Our Company replied to the RFO, through a letter claiming a bona fide error in erecting and commissioning the WTG on a land adjacent to the land belonging to our Company (the "Land"). Further, our Company requested the RFO to seek a clarification from the Office of the District Collectorate, Kutch as to whether the Land is a government waste land or forms part of Ghudkhar Wildlife Sanctuary. Our Company also stated its intention to make an application for regularisation with the appropriate authority of the forest department if the Land is not a government waste land and surrender the land owned by our Company to the forest department. Pursuant to the reply, the RFO has asked our Company to record our statement in person, produce evidence and to remove the WTG from the Land, which was declared to be a part of the Ghudkhar Wildlife Sanctuary by the Government. Our Company has responded to the RFO stating its willingness to take required action to de-erect and shift the WTG after the reconciliation of revenue and forest records and in case the RFO does not consider the request to allow the WTG to operate at the Land by regularisation of error. Further, the RFO may take penal actions against our Company and the management of our Company for installation of the WTG on the forest land and damaging the wellbeing of wild life. The matter is currently pending.

#### ***Tax Proceedings***

As on the date of this Draft Red Herring Prospectus, our Company is involved in certain taxation related proceedings, the details of which are set forth below.

Nature	Number of cases	Amounts involved (in ₹ million)
Direct tax	Nil	Nil
Indirect tax	6	1.47*

\* Amount involved in 1 indirect tax case is undetermined.

## **B. Litigation filed by our Company**

#### ***Criminal proceedings initiated by our Company***

- Our Company has filed a criminal complaint against Devayatbhai Chavda and others (the "Accused") under Sections 323, 504, 506(2), 427 and 114 of the IPC pursuant to which a first information report was registered and a charge sheet was filed with the Judicial Magistrate First Class, Khambaliya, alleging, *inter alia*, damage to electric cables of our Company, and that Accused abused a labourer engaged by our Company and threatened to kill him. The settlement agreement has been filed before the Court. The matter is currently pending.
- Our Company has filed a criminal complaint against Vijay Kanabhai Chavda and Nilesh Markhi Chavda (the "Accused") under Sections 504, 506(2) and 114 of the IPC pursuant to which a first information report (the "FIR") was registered alleging that the Accused abused and threatened to hurt and kill certain officers of our Company. The Accused filed a criminal miscellaneous application against the Company before the High Court of Gujarat for quashing the FIR (the "Application"). Pursuant to which, the High Court of Gujarat has passed an interim order directing stay on further proceedings in relation to the FIR till the final disposal of the Application. The matter is currently pending.
- Our Company has filed a criminal complaint against Pravin Singh Gadhvi and others (the "Accused") under Sections 397, 504, 427, 506(2) and 114 of the IPC and Section 135(1) of the Gujarat Police Act, 1951 pursuant to which a first information report was registered and a charge sheet was filed with the Chief Judicial Magistrate, Khambaliya (the "Magistrate"), alleging looting, threatening and assaulting the officers of our

Company. The Magistrate on February 17, 2018 passed a committal order directing that the case be tried by the Court of Sessions, Devbhumi Dwarka at Khambhaliya. The matter is currently pending.

4. Our Company has filed a criminal complaint against Kanabhai Meramanbhai Chavda, Bholabhai Meraman Chawda and others (the “**Accused**”) under Sections 506(2), 504 and 114 of the IPC pursuant to which a first information report was registered and a charge sheet was filed with the Judicial Magistrate, First Class, Khambhaliya alleging that the Accused threatened certain technicians and stopped the repairing work. The matter is currently pending.
5. Our Company has filed a criminal complaint against Kanabhai Meramanbhai Chavda (the “**Accused**”) under Sections 384 and 506 of the IPC pursuant to which a first information report was registered alleging extortion on the part of Accused and that the Accused demanded money from the officials of our Company and threatened certain officials of our Company. The matter is currently pending.
6. Our Company has filed a criminal complaint against Bholabhai Meramanbhai Chavda, Kanabhai Meramanbhai Chavda and others (the “**Accused**”) under Sections 308, 427 and 120 B of the IPC pursuant to which a first information report was registered alleging that the Accused threatened certain officers of our Company, cut the electric wire lines and broke the foundation causing damage to property of the Company. The matter is currently pending.
7. Our Company has filed a criminal complaint against Nagajanbhai Kayabhai and others (the “**Accused**”) under Sections 397, 307, 427, 504 and other relevant sections of the IPC and Section 135(1) of the Gujarat Police Act, 1951 pursuant to which a first information report was registered alleging, *inter alia*, that the Accused damaged property, abused and threatened to hurt certain officers and workers of our Company. The matter is currently pending.
8. Our Company has filed a criminal complaint against M/s. Krypton Engineering (the “**Respondent**”) under Section 138 of the Negotiable Instruments Act, 1881 with Metropolitan Magistrate, Egmore, Chennai in respect of dishonour of cheque issued by the Respondent amounting to ₹ 0.18 million. The matter is currently pending.
9. Our Company has filed a criminal complaint against M/s. Energy Sources Engineers Private Limited (the “**Respondent**”) under Section 138 and 141 of the Negotiable Instruments Act, 1881 with Metropolitan Magistrate, Esplanade, Chennai in respect of dishonour of cheque issued by the Respondent amounting to ₹ 1.28 million. The matter is currently pending.

#### ***Other matters***

Our Company, which is engaged in the business of manufacture, sales and service of diesel generators, has filed a suit before High Court of Bombay against Powerind Private Limited and others (the “**Defendants**”) alleging, *inter alia*, infringement and passing off of trademark, using deceptively similar trademark, illegal benefit from the goodwill and reputation built by our Company, seeking, *inter alia*, for an order of permanent injunction restraining the Defendants doing business, manufacturing and selling goods under the trade name of ‘Powerind’. Company had filed objections opposing the applications of Powerind Private Limited for registration of the trade name “Powerind” under the Trade Marks Act, 1999 (the “**Act**”) with the Registrar of Trademarks claiming that the registration of the trademark by Powerind Private Limited would result in violations of certain provisions of the Act. The matter is currently pending.

## **II. Litigation Proceedings involving our Promoters**

#### ***Proceeding involving Kharatiram Kharak Puri***

1. Kannada Bhavan Education Society has filed a recovery and eviction suit before the Court of Small Causes at Mumbai against Kharatiram Kharak Puri (the “**Defendant**”) alleging that the land on which Defendant owns a commercial godown constitutes part of school premises and is needed for expansion. In furtherance of the suit, the Court of Small Causes at Mumbai passed an interim order permitting the Defendant to deposit the monthly rent amount with the court till the final disposal of the suit. Matter is pending final adjudication.

#### ***Tax Proceedings***

As on the date of this Draft Red Herring Prospectus, Naresh Chander Oberoi, one of our Promoters, is involved in the following tax proceedings.

Nature	Number of cases	Amounts involved (in ₹ million)
Indirect taxation	Nil	Nil
Direct taxation	2	5.71

### **III. Litigation Proceedings involving our Directors**

#### ***Proceeding involving Pradeep Gupta***

1. Indian Petrochemical Corporation Limited (the “**Complainant**”) has filed a criminal complaint against G.S.L. (India) Limited (“**GSL**”) and its six directors including Pradeep Gupta (collectively, the “**Accused**” and such criminal complaint the “**Complaint**”) before the Court of Chief Judicial Magistrate at Vadodara relating to, *inter alia*, alleged contractual breach of trust and cheating. In furtherance of the Complaint, the Chief Judicial Magistrate passed an interim order directing judicial cognizance to be taken of allegations forming part of the Complaint and issuance of summons to the Accused. Subsequently, Pradeep Gupta filed an application under Section 239 of the Code of Criminal Procedure, 1973 before the Chief Judicial Magistrate seeking to be discharged as a party to the Complaint, *inter alia*, as the Complaint pertained to a period prior to his appointment as a director on the board of directors of GSL (the “**Discharge Application**”). The matter and the Discharge Application are currently pending.

#### ***Tax Proceedings***

As on the date of this Draft Red Herring Prospectus, Renu Naresh Oberoi, our Director, is involved in the following tax proceedings.

<b>Nature</b>	<b>Number of cases</b>	<b>Amounts involved (in ₹ million)</b>
Indirect taxation	Nil	Nil
Direct taxation	1	0.005

For details in relation to the other litigation involving our other Directors, see “– *Litigation Proceedings involving our Promoters*” on page 249.

### **IV. Outstanding dues to creditors**

Our Company, in its ordinary course of business, has certain amounts aggregating to ₹ 1494.10 million which are due towards micro, small and medium enterprises and other creditors (trade payables) as on September 30, 2018.

Our Company owes the following amounts as on September 30, 2018, whereby material dues to creditors are identified as each creditor exceeding ₹ 72 million (being approximately 5% of the total consolidated trade payables of our Company as per the latest Restated Financial Information of our Company included in this Draft Red Herring Prospectus).

Details of outstanding dues owed as on September 30, 2018 to MSMEs and other creditors are set out below.

<b>Particulars</b>	<b>Number of creditors</b>	<b>Amounts involved (in ₹ million)</b>
MSMEs	66	34.79
Material creditors	2	1,228.61
Other creditors	784	230.70
<b>Total</b>	<b>852</b>	<b>1,494.10</b>

The complete details pertaining to outstanding over-dues towards our material creditors, along with names and amount involved for each material creditor, are available on the website of our Company at <https://www.powericaltd.com/investors/OverduesMaterial/Overdues-to-Material-Creditors-as-on-September-30-2018.pdf>. 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, would be doing so at their own risk.

### **V. 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 231.

## **GOVERNMENT APPROVALS**

We have set out below a list of material approvals, consents, licences and permissions from the governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. In view of the approvals listed herein, our Company can undertake the Offer and its current business activities. Unless otherwise stated, our Company has obtained all material approvals and the same are valid as of the date of this Draft Red Herring Prospectus. The material approvals, consents, licenses, registrations and permits obtained by our Company which enable it to undertake its current business activities are set forth below. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any material subsidiaries.

We have also disclosed below (i) the material approvals applied for, including renewal applications made, but not received; (ii) the material approvals which have expired and renewal yet to be applied for; and (iii) the material approvals which are required but not obtained or applied for.

### ***Approvals for the Offer***

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures - Authority for the Offer*” on page 253.

### ***Business-related Approvals***

We require various approvals, permits, consents, registrations and licences under various legislations in order to conduct our business in India, which may vary on the basis of the location of our project as well as the nature of activities to be conducted at the project. Further, for certain of our projects, we may share the responsibility with our collaborators in respect of such project for obtaining the necessary permits, consents, registrations, licences and approvals from the appropriate regulatory and governing authorities in accordance with the terms of the project-related agreements.

### ***Manufacturing Facilities***

We have set out below a list of material approvals obtained by our Company, for the purposes of undertaking our diesel generator set manufacturing business and ancillary parts. The requirements of material approvals may differ from state to state depending on where the manufacturing facilities are located and the nature of facility:

1. License issued by the designated authorities under the Factories Act to enable certain premises of our Company to be used as a factory and for manufacture of acoustic enclosure, diesel generator sets, control panel, base frame and fuel tank.
2. Certificates issued by various pollution control boards under the Water Act, Air Act and Hazardous Waste Rules framed under the Environment Protection Act, 1986 granting consent to discharge effluents and hazardous wastes and emissions in the atmosphere.
3. No objection certificate issued by the Directorate of Fire and Emergency Services granting it's no objection in occupancy of premises.
4. License to import and store petroleum in an installation from the concerned authority under the Petroleum Act, 1934.
5. Certificates of registration issued by the registering officer and the labour commissioners under the Contract Labour (Regulation and Abolition) Act, 1970 for engaging labourers in various businesses and activities.
6. Certificates of registration of establishment issued by Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948.
7. Various tax related approvals including permanent account number, goods and services tax, registration under state and central legislations for tax on professions, trades and callings and employment, provident fund and registrations under the Shops and Establishment Acts in the states where we operate.
8. Certificate issued by the Ministry of Commerce and Industry for allotment of importer-exporter code number.
9. Permission from the concerned electricity department for obtaining electricity.

### ***Wind Power Business***

We have set out below a list of material approvals obtained by our Company, as applicable in different States, for the wind power business. The requirements of material approvals may differ from state to state depending on the respective business and nature of underlying land:

1. Permission letter from the concerned nodal agency of respective state for setting up a wind farm.

2. Certificates of commissioning from concerned state nodal authority certifying commissioning of wind farms consisting of new wind turbines.
3. Permission for energising the electrical installations along with the associated installations from Chief Electrical Inspector under Rule 47A and 63 of the Indian Electricity Rules, 1956.
4. Permission letter from the concerned authority under Section 89 of the Mumbai Tenancy and Agricultural Land (Vidarbha Area and Kutch Area) Act, 1958 and regulations allowing the purchase of the land for *bona fide* industrial use of wind farm for non-agricultural purpose.
5. Orders of the concerned collector of state for conversion of the land into non-agricultural industrial use for wind farm projects under Section 65 of the Land Revenue Code, 1879.
6. Certificate of Gharkhed (self-cultivation) by the concerned Collector of state, under Section 55 of the Saurashtra Gharkhed Tenancy Settlement and Agricultural Lands Act, 1949 and the Saurashtra Gharkhed Tenancy Settlement and Agricultural Lands Ordinance, 1949 for the agricultural land.
7. Order of the collector of respective state for allocation of government wasteland on lease for wind farm land.
8. Grant of evacuation scheme from respective state electricity board or Power Grid Corporation India Limited, as applicable for connection of the wind generator turbines with the electricity substation via transmission lines.
9. Letter of award from the respective state nodal agency in relation to a particular project.

**Material approvals applied for but not received by our Company:**

1. Application made to the labour department, Government of Telangana for the renewal of registration under the Telangana Shops and Establishments Act, 1988 for the facility located at Hyderabad.

**Material approvals expired but not applied for by our Company: Nil**

**Material approvals required but not obtained or applied for by our Company:**

1. Application to be made to the Pollution Control Board, Chennai for renewal of consent under the Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 for the manufacturing facility located at Chennai.
2. Application to be made to the Gujarat Energy Development Agency for developer permission for ten locations in relation to the IPP pipeline project at Dev Bhoomi Dwarka.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

Our Board has approved the Offer pursuant to resolution passed in their meeting held on July 30, 2018. Further, the IPO Committee has taken on record the approval for the Offer for Sale by the Selling Shareholders and has approved this Draft Red Herring Prospectus pursuant to its resolution dated March 8, 2019. The Offer for Sale has been authorized by the Selling Shareholders as follows:

S. No.	Name of Selling Shareholder	Maximum number of Equity Shares being offered in the Offer for Sale	Authorization
<b>A. Promoter Selling Shareholders</b>			
1.	Naresh Chander Oberoi	1,232,173	March 7, 2019
2.	Kharatiram Kharak Puri	1,142,764	March 7, 2019
3.	Bharat Naresh Oberoi	3,428,292	March 7, 2019
<b>B. Promoter Group Selling Shareholder</b>			
4.	Renu Naresh Oberoi	761,843	March 7, 2019
<b>C. Investor Selling Shareholder</b>			
5.	Marina West	728,141	Board resolution dated February 11, 2019
<b>D. Employee Selling Shareholders</b>			
6.	T.B. Nedungadi	322,415	March 7, 2019
7.	Sunil Kumar Khurana	2,799	March 7, 2019

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by SEBI, RBI or other governmental authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the persons in control of our Company and each of the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority or court, including any securities market regulator in any jurisdiction.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, the Selling Shareholders, Promoters and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended (“**SBO Rules**”), to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the eligibility criteria provided in Regulation 6(1) of the SEBI ICDR Regulations, and as calculated under the Restated Financial Information, as set forth below:

- Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, 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 an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at and for the three immediately preceding Financial Years are set forth below.

	(in ₹ million, except percentage values)		
	<b>Consolidated</b>	<b>Financial Year 2018</b>	<b>Financial Year 2017</b>
Net tangible assets, as restated <sup>(1)</sup>	9,298.58	8,353.23	8,041.96

	Consolidated		
	Financial Year 2018	Financial Year 2017	Financial Year 2016
Monetary assets, as restated <sup>(2)</sup>	403.35	1,218.18	720.37
Monetary assets, as a percentage of net tangible assets, as restated	4.34	14.58	8.96
Operating profit <sup>(3)</sup>	904.90	1,167.75	932.29
Net worth, as restated <sup>(4)</sup>	9,329.25	8,365.99	8,051.85

Notes:

- (1) Restated "Net tangible assets" mean the sum of all net assets of the issuer, excluding intangible assets as defined in Ind AS 38 'Intangible Assets' each on a restated basis.
- (2) Restated "Operating profit" has been calculated as net profit before tax excluding other income and finance cost- interest others, each on a restated basis. Average operating profits was ₹ 1,001.65 million based on the average of the three year profits.
- (3) "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in terms of Section 2(57) of the Companies Act, 2013, each on a restated basis.
- (4) Restated "Monetary assets" include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks, margin money deposits and interest accrued thereon and quoted current investments, each on a restated basis.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor our Promoters, members of our Promoter Group, our Directors or any of the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company, nor our Promoters, our Selling Shareholders or Directors is a wilful defaulter.
- (d) None of our Promoters or Directors is a fugitive economic offender.
- (e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares offered by such Selling Shareholder as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

#### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMs, ICICI SECURITIES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED AND IIFL HOLDINGS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 8, 2019 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT**

**OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

**Disclaimer from our Company, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this 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.powericaltd.com](http://www.powericaltd.com) or the respective websites of our Promoter Group or Group Companies, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer in respect of Jurisdiction**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, AIFs, Indian financial institutions, commercial banks, state industrial development corporation, permitted national investment, regional rural banks, Systemically Important NBFCs, co-operative banks (subject to permission of the RBI), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and insurance funds, and permitted provident funds and pension funds insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India and to Eligible NRIs, FPIs and other eligible foreign investors (viz. bilateral and multilateral development financial institutions). 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 the Offer 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 has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, the Group Companies or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the U.S. 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 U.S. 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 U.S. 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 outside India, and Bids may not be made by persons in such jurisdiction except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. 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.

#### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, legal counsel, Bankers and Lenders to our Company, the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Banks, Sponsor Banks and the Registrar to the Offer 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 Section 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, have given their written consent to the inclusion of its examination report dated February 5, 2019, on the Restated Financial Information and the statement of special tax benefits dated February 5, 2019 included in this Draft Red Herring Prospectus and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

#### **Expert to the Offer**

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

Our Company has received written consent from our Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, to include their names as required under Section 26 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 examination report dated February 5, 2019 on Restated Financial Information and the statement of special tax benefits dated February 5, 2019 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 U.S. Securities Act.

Our Company has received written consent from Enicon Consulting LLP, as industry analyst to include their name as required under Section 26(5) 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 industry report titled as “*Wind Market Outlook in India 2018 - Examining Opportunities till 2022*” dated April 2018 and such consent have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from New Age TechSci Research Private Limited, as industry analyst to include their name as required under Section 26(5) 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 industry reports titled as “*India’s Diesel Gensets Market Forecast and Opportunities, Financial Year 2011 to Financial Year 2025*” dated June 2018, and “*Global Medium Speed Large Generators Market Forecast and Opportunities, 2013 to 2023*” dated May 2018, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

#### **Particulars regarding public or rights issues by our Company during the five immediately preceding years**

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

#### **Commission or brokerage paid on previous issues**

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.

**Capital issue during the three immediately preceding years by listed group companies, Subsidiaries and Associate of our Company**

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries, Group Companies or our Associate are listed on any stock exchange in India or overseas.

**Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries of our Company**

None of our Subsidiaries are listed on any stock exchange.

## Price Information of Past Issues handled by the BRLMs

### A. ICICI Securities

Price information of past issues handled by ICICI Securities:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Matrimony.Com Limited	4,974.79	985.00 <sup>(1)</sup>	Sepember 21, 2017	985.00	-12.28%, [+0.62%]	-7.64%, [+3.37%]	-16.55%, [-0.27%]
2.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	Sepember 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [+4.06%]
3.	SBI Life Insurance Company Limited	83,887.29	700.00 <sup>(2)</sup>	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.07%, [+5.84%]	-2.30%, [+3.57%]
4.	Newgen Software Technologies Limited	4,246.20	245.00	January 29, 2018	254.10	-0.20%, [-5.18%]	+2.51%, [-3.51%]	-2.00%, [+1.33%]
5.	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%, [+1.33%]	-14.68%, [+7.66%]
6.	Aster DM Healthcare Limited	9,801.40	190.00	February 26, 2018	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-8.16%, [+9.21%]
7.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%, [+4.96%]	+15.41%, [+4.36%]	-4.20%, [+7.04%]
8.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+29.60%, [-7.58%]	+23.78%, [-4.33%]
9.	Creditaccess Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.16%, [-3.80%]	-14.90%, [-8.00%]	-5.71%, [-8.13%]
10.	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	-19.32%, [+1.76%]	+2.39%, [+4.09%]	-

(1) Discount of ₹ 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹ 985.00 per equity share.

(2) Discount of ₹ 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹ 700.00 per equity share.

#### Notes:

1. All data sourced from [www.nseindia.com](http://www.nseindia.com)
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

#### Summary statement of price information of past issues handled by ICICI Securities:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	4	60,843.16	-	-	2	1	-	1	-	-	2	-	-	1
2017-18	9	208,306.61	-	-	5	1	-	3	-	-	5	1	2	1
2016-17	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

<sup>^</sup>The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
3. The Nifty 50 index is considered as the Benchmark Index.

## B. Edelweiss

Price information of past issues handled by Edelweiss:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	-19.32% [1.76%]	2.42% [3.67%]	Not Applicable
2.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	5.72% [6.56%]	35.20% [2.56%]	50.21% [1.90%]
3.	ICICI Securities Limited	34,801.16	520.00	April 4, 2018	435.00	-27.93% [5.44%]	-37.26% [5.22%]	-44.39% [7.92%]
4.	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	1.14% [-3.31%]	-0.85% [1.33%]	-14.68% [7.66%]
5.	Amber Enterprises India Limited	6,000.00	859.00 <sup>^^</sup>	January 30, 2018	1,175.00	27.15% [-5.04%]	24.98% [-3.23%]	10.58% [2.07%]
6.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	3.50% [3.00%]	6.91% [-1.86%]	-5.20% [4.13%]
7.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.17% [3.37%]	-11.51% [0.75%]	-28.51% [4.93%]
8.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	31.52% [0.48%]	48.93% [2.11%]	74.66% [5.04%]
9.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	3.61% [-3.19%]	5.91% [2.95%]	-4.21% [1.59%]
10.	Prataap Snacks Limited	4,815.98	938.00 <sup>^^</sup>	October 5, 2017	1,270.00	25.12% [5.70%]	31.82% [5.60%]	40.99% [3.27%]

Source: www.nseindia.com

<sup>^^</sup> Amber Enterprises India Limited - employee discount of ₹ 85 per equity share to the offer price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹ 859 per equity share

<sup>^^</sup> Prataap Snacks Limited - employee discount of ₹ 90 per equity share to the issue price was offered to the eligible employees bidding in the employee reservation portion. All calculations are based on the issue price of ₹ 938 per equity share

### Notes:

1. Based on date of listing.
2. % of change in closing price on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day.
3. Wherever 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
4. The Nifty 50 index is considered as the benchmark index
5. Not Applicable. – Period not completed
6. Disclosure in Table-1 restricted to 10 issues.

Summary statement of price information of past issues handled by Edelweiss:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	3	57,206.02	-	1	1	-	-	1	-	1	-	1	-	-
2017-18	11	218,549.76	-	-	1	1	5	4	-	1	3	3	1	3
2016-17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1

The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30<sup>th</sup> and 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
3. The Nifty 50 index is considered as the Benchmark Index.

\*For the financial year 2018-19 – 3 issues have been completed. 2 issues have completed 180 days and 1 issue has completed 90 days.

## C. IIFL

Price information of past issues handled by IIFL:

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
2.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
3.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
4.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
5.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
6.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
7.	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	-46.2%, [+7.5%]
8.	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	-13.9%, [-1.4%]	-25.2%, [+0.4%]
9.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+52.9%, [+1.0%]	+30.6%, [-7.1%]	+23.8%, [-4.1%]
10.	Credit Access Grameen Limited	11,311.88	422.00	August 23, 2018	390.00	-21.2%, [-3.7%]	-12.4%, [-8.4%]	-7.2%, [-8.4%]

Source: [www.nseindia.com](http://www.nseindia.com)

**Note:** Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Summary statement of price information of past issues handled by IIFL:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018-19	4	94,015.43	-	1	1	1	-	1	-	2	1	-	-	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1

Source: [www.nseindia.com](http://www.nseindia.com)

**Note:** Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

## **Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below.

S. No.	Name of the BRLMs	Website
1.	ICICI Securities	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
2.	Edelweiss	<a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
3.	IIFL	<a href="http://www.iiflcap.com">www.iiflcap.com</a>

## **Stock Market Data of Equity Shares**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## **Redressal of investor grievances**

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

The Board has constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "*Our Management – Committees of the Board – Stakeholders Relationship Committee*" on page 133.

As on the date of this Draft Red Herring Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has also appointed Komal Manoj Nagdev, Company Secretary of our Company as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "*General Information*" beginning on page 44.

Our Company, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Group Companies and our Subsidiaries are not listed on any stock exchange.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB, 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.

## **SECTION VII: OFFER INFORMATION**

### **TERMS OF THE OFFER**

The Equity Shares transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares transferred pursuant to the Offer shall also be subject to applicable laws, including guidelines, rules, notifications and regulations relating to the issue and offer of capital and listing and trading of securities issued from time to time by SEBI, the Government, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

#### **Offer for Sale**

The Offer comprises an Offer for Sale by the Selling Shareholders. This being an Offer for Sale, all expenses with respect to the Offer (other than listing fees which shall be payable by our Company) will be borne by the Selling Shareholders in proportion to the Offered Shares offered by each of them in the Offer. For details in relation to Offer Expenses, see "*Objects of the Offer*" beginning on page 63.

#### **Ranking of the Equity Shares**

The Equity Shares transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association, Articles of Association and the SEBI Listing Regulations and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allotees, upon Allotment of the Equity Shares pursuant to the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment in accordance with Companies Act and Articles of Association. For further details, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 145 and 280, respectively.

#### **Mode of payment of dividend**

Our Company shall pay dividends, as and when declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association, the Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 145 and 280, respectively.

#### **Face value and Offer Price**

The face value of each Equity Share is ₹ 5 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot for the Offer, including Employee Discount, will be decided by our Company and the Selling Shareholders in consultation with the BRLMs and will either be included in the Red Herring Prospectus or will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

#### **Rights of the 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 SEBI Listing Regulations, the Memorandum of Association and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 280.

### **Allotment only in Dematerialised Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated February 28, 2011 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated February 22, 2011 amongst CDSL, our Company and the Registrar to the Offer.

### **Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

### **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

### **Nomination facility to bidders**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the RTAs of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may, at any time, give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may, thereafter, withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the applicant would prevail. If the Bidders want to change the nomination, they are requested to inform their respective Depository Participant.

### **Withdrawal of the Offer**

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Offer, and each Selling Shareholder reserves the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of Equity Shares offered by such Selling Shareholder in the Offer for Sale, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company and the Selling Shareholders in consultation with the BRLMs decide not to proceed with the Offer at all, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons

for not proceeding with the Offer. The Registrar to the Offer shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges. The Notice of withdrawal will be issued in the same newspapers where the Pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

### **Bid/Offer Programme**

<b>BID/OFFER OPENS ON</b>	[●] <sup>(1)</sup>
<b>BID/OFFER CLOSES ON</b>	[●] <sup>(2)</sup>

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

An indicative timetable in respect of the Offer is set forth below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	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, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.**

Whilst our Company shall ensure and the Selling Shareholders shall provide co-operation (with respect to the Equity Shares offered by such Selling Shareholder) that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

### **Submission of Bids (other than Bids from Anchor Investors)**

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

### **On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders; and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from RIBs after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is in IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public/bank holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids, due to faults in any software/hardware system or otherwise.

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

**In case of revision in the Price Band, the Bid/Offer Period shall be extended by at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.**

#### **Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment for such percentage of the post-Offer paid-up Equity Share capital of our Company in terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholders shall pay interest prescribed under the applicable law provided that, subject to applicable law, the Selling Shareholders shall not be responsible to pay interest for any delay, unless such delay has been caused solely by such Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc., for the Equity Shares being offered pursuant to the Offer will be reimbursed by the Selling Shareholders to our Company in proportion to the respective Equity Shares being offered for sale by the Selling Shareholders in the Offer, to the extent that the delay is solely attributable to any such Selling Shareholder.

#### **Arrangement for Disposal of Odd Lots**

There are no arrangements for disposal of odd lots.

#### **Restrictions, if any, on Transfer and Transmission of Equity Shares**

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 51 and except as provided in the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 280.

## OFFER STRUCTURE

Public offer of up to 7,618,427 Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] through an Offer for Sale of up to 5,803,229 Equity Shares by the Promoter Selling Shareholders, up to 761,843 Equity Shares by the Promoter Group Selling Shareholder, up to 728,141 Equity Shares by the Investor Selling Shareholder and up to 325,214 Equity Shares by the Employee Selling Shareholders. The Net Offer will constitute at least [●]% of the post-Offer paid-up Equity Share capital of our Company.

The face value of the Equity Shares is ₹ 5 each.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation <sup>(2)</sup>	Not more than [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and RIBs shall be available for allocation	Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of Employee Discount). In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)	Proportionate as follows (excluding the Anchor Investor Portion): <ol style="list-style-type: none"> <li>At least [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</li> <li>[●] Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above</li> </ol> Not more than [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "Offer Procedure" beginning on page 268
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹500,000 (net of Employee Discount)	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors)			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialised form			

Particulars	Eligible Employees <sup>#</sup>	QIBs <sup>(1)</sup>	Non Institutional Bidders	Retail Individual Bidders
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply <sup>(4)</sup>	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, Mutual Funds, FPIs other than Category III FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of karta)
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(3)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) including UPI ID in case of RIBs, that is specified in the ASBA Form at the time of submission of the ASBA Form</p>			

\* Assuming full subscription in the Offer

# Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

- (1) Our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Procedure" beginning on page 268.
- (2) Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.
- (3) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.
- (4) In case of joint Bids, the Bid cum Application Form contained only the name of the First Bidder whose name appeared as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder was required in the Bid cum Application Form and such First Bidder was deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will be allowed to be met with spill over from other categories or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to applicable laws (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by RIBs through the UPI mechanism. The investors should note that the details and process provided in the GID should be read along with this section.

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

Further, our Company and the BRLMs do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI mechanism for application in this Offer.

### **Book Building Procedure**

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Post allocation to the Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees, qualifying under the Employees Reservation Portion, subject to valid Bids received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of the our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000 (net of Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer. In accordance with Rule 19(2)(b) of the SCRR, the Net Offer will constitute at least [●] % of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders’ depository account, including DP ID, Client ID, UPI ID (in case of RIBs using the UPI mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Phased implementation of UPI for Bids by Retail Individual Bidders as per the UPI Circular**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 (the “UPI Circular”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

- a) **Phase I:** This phase has become applicable from January 1, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, a RIB would also have the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
- b) **Phase II:** This phase will commence upon completion of Phase I and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a RIB through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI payment. The issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs into the UPI mechanism.

For further details, refer to the General Information Document is available on the websites of the Stock Exchanges and the BRLMs.

#### **Bid cum Application Form**

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)), at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

For Anchor Investor, the Anchor Investor Application Form will be available at the offices of the BRLMs.

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	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees bidding in the Employee Reservation Portion	[●]

\* Excluding electronic Bid cum Application Form

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. Subsequently, except in case of RIBs Bidding using UPI mechanism, Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB where the Bidder has a bank account with ASBA facility, details of which were provided by the Bidder in his respective ASBA form and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. For RIBs Bidding using UPI mechanism, the Stock Exchanges shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate mandate request on investors for blocking of funds.

#### **Participation by Promoters, Promoter Group, the BRLMs, the Syndicate Members and persons related to Promoters/Promoter Group/the BRLMs**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account

or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associate of the BRLMs (other than Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than Category III FPIs sponsored by the entities which are associates of the BRLMs), nor any person related to our Promoters or any members of the Promoter Group can apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

1. rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;
2. veto rights; or
3. right to appoint any nominee director on the board of the issuer.

Further, for the purposes of the above, an Anchor Investor shall be deemed to be an associate of the BRLM if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investor and the BRLM.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

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 such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

### **Bids by HUFs**

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.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. In case the total holding of an FPI increases beyond 10% of the total paid-up equity capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board 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 shall be included.

In this respect, the Board at its meeting held on July 30, 2018 and the Shareholders of our Company in their meeting held on August 6, 2018, approved the increase in the said limit to 49% of the paid-up Equity Share capital of our Company. We have intimated the increase of these limits to the RBI.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to the following conditions:

- (a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, 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 and Selling Shareholders reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up. Our Company, the Selling Shareholders, and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

## **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 Amount payable by the Eligible Employee does not exceed ₹ 500,000. 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. [●] 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 ₹ 500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹ 200,000 (net of Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹ 200,000 (net of Employee Discount), provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹ 500,000 (net of Employee Discount).
- (c) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.
- (d) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.
- (e) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.
- (f) Eligible Employees can apply at Cut-off Price.
- (g) Bid by Eligible Employees can be made also in the “Net Offer to the Public” and such Bids shall not be treated as multiple Bids.
- (h) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (i) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting [●]% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

Employee Discount may be offered to Eligible Employees bidding in the Employee Reservation Portion.

## **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 of such limited liability partnership. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

## **Bids by Banking Companies**

In case of Bids made by banking companies registered with 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 this, our Company and the Selling Shareholders reserves the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the “**Banking Regulation Act**”), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such

investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars (CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("IRDAI Investment Regulations"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

### **Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds with minimum corpus of ₹ 250 million, subject to applicable laws, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes to 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 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 regulations, or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.**

### **General Instructions**

#### ***Do's:***

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI mechanism) in the ASBA Form;
5. Ensure that you use only your own bank account or only your own bank account linked UPI ID (only for RIBs using the UPI mechanism) to make an application in the Offer.
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the relevant Designated Intermediary at the concerned Bidding Centre within the prescribed time. RIBs Bidding using UPI mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTA or Depository Participants;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
8. If the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;
9. Ensure that the signature of the First Bidder, in case of joint Bids, is included in the Bid cum Application Form;
10. 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;
11. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder, whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;
14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the 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, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. 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;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney, including Bids by limited companies, corporates, trusts, and so on, all relevant documents are submitted;
20. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;
21. Ensure that the depository account is active, the correct DP ID, Client ID, PAN details and UPI ID, as applicable, are mentioned in the Bid cum Application Form and that the name of the Bidder, DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository’s database;
22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the concerned SCSB via electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid;
23. In case of ASBA Bidders (other than RIBs using UPI mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI);
24. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
25. ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making the Application in the Offer; and
26. Once the Sponsor Bank issues the UPI Mandate Request, the RIBs would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not withdraw your Bid or lower the size of your Bid (in terms of number of Equity Shares or Bid amount), if you are a QIB or a Non-Institutional Bidder. RIBs can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date;
4. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
5. Do not Bid for a Bid Amount exceeding ₹ 500,000 (for Bids by Eligible Employees);
6. Do not pay the Bid Amount by cheque, demand draft, cash, money order, postal order or stock invest;
7. Do not send Bid cum Application Forms by post, and instead, submit the same only to the relevant Designated Intermediary;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
11. Do not submit the Bid for an amount more than funds available in your ASBA Account;
12. 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;
13. Anchor Investors should not Bid through the ASBA process;
14. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
15. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable laws or under your respective constitutional documents or otherwise;
19. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
20. Do not deliver Bid cum Application Forms after the time prescribed in the Red Herring Prospectus and the Bid cum Application Forms;
21. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than in the case of minors having valid depository accounts as per Demographic Details provided by the depository);
22. No Bidder other than RIB should not Bid though the UPI mechanism;
23. Do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
24. Do not Bid for shares more than specified by respective Stock Exchanges for each category;
25. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account; and
26. Do not submit Bids to a Designated Intermediary unless the SCSSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms. If you are a RIB and are Bidding using UPI mechanism, do not submit the ASBA Form directly with SCSSBs.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 44.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each RIBs shall not be less than the minimum bid lot, subject to the availability of shares in RIB category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Anchor Investor Escrow Account**

Our Company and the Selling Shareholders in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper), and the [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

#### **Signing of the Underwriting Agreement and Filing with the RoC**

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

## **Impersonation**

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:**

**“Any person who:**

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

## **Undertakings by our Company**

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within the period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable laws for the delayed period;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- The Promoters’ Contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allotees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- 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/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms from Bidders.

## **Undertakings by the Selling Shareholders**

Each Selling Shareholder undertakes severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial holder and has valid and full title to the Equity Shares being offered by it under the Offer for Sale;
- the Equity Shares being offered by it in the Offer are fully paid and are in dematerialized form;
- the Equity Shares being offered by it under the Offer for Sale are eligible to be offered for sale pursuant to the Offer as per the provisions of Regulation 8 of the SEBI ICDR Regulations;
- not to sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares being offered and sold pursuant to the Offer and hereby also undertakes to take such steps as may be required to ensure that the Equity Shares are available for the Offer for Sale;

- it shall not have recourse to the proceeds from the Offer for Sale until receipt by our Company of the final listing and trading approvals from all the Stock Exchanges in accordance with applicable laws;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- in relation to itself as a Selling Shareholder, and the Equity Shares being offered by it under the Offer for Sale, it shall comply with all applicable laws and regulations, including without limitation, the SEBI Act, the SCRA read with the SCRR, the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the agreements entered into with the Stock Exchanges, and all applicable guidelines, instructions, rules, communications, circulars and regulations issued by the Government of India, the RoC, SEBI, the RBI, the Stock Exchanges or by any other governmental or statutory authority;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall take all steps and provide all assistance to our Company, the BRLMs, as may be required and necessary from the Selling Shareholder, for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges within six Working Days from the Bid/Offer Closing Date of the Offer; and
- it will provide assistance to our Company, as may be required and necessary in accordance with applicable laws, for the completion of the necessary formalities in relation to the Equity Shares being offered by it under the Offer for Sale.

Only the statements and undertakings in relation to the Investor Selling Shareholder, the Promoter Selling Shareholders, the Promoter Group Selling Shareholder or the Employee Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are specifically “confirmed” or “undertaken” by the Investor Selling Shareholder, the Promoter Selling Shareholders, the Promoter Group Selling Shareholder or the Employee Selling Shareholders, respectively, in this Draft Red Herring Prospectus, shall be deemed to be “statements and undertakings specifically confirmed or undertaken” by the Investor Selling Shareholder, the Promoter Selling Shareholders, the Promoter Group Selling Shareholder or the Employee Selling Shareholders. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relate to the Investor Selling Shareholder, the Promoter Selling Shareholders, the Promoter Group Selling Shareholder or the Employee Selling Shareholders.

### **Utilisation of Offer Proceeds**

The Selling Shareholders, along with our Company declare that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government, the FDI Policy (as defined below) and FEMA. The government bodies responsible for granting foreign investment approvals are the various departments of the concerned administrative ministries of the Government of India, including the DPIIT and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the consolidated FDI Policy by way of circular no D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the DPIIT (or any other concerned departments of administrative ministries of the Government of India) 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 SEBI 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 SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

For further details, see "*Offer Procedure*" beginning on page 268.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## **SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

*Capitalised 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 ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

### **Share Capital**

Article 6 provides that the Authorised Share Capital of the Company shall be as mentioned at Clause V of the Memorandum of Association of the Company.

Article 7 provides that subject to the provisions of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit.

Article 8 provides that subject to the provisions of the Act and these Articles, the Board may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that the Board shall not give the option or right to call on Shares to any person or persons without the sanction of the Company in the general meeting.

Article 9 provides that the Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws:

- a.     Equity share capital:
  - i)     with voting rights; and / or
  - ii)    with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- b.     Preference share capital

Article 15 provides that:

- 1.     if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.
- 2.     to every such separate meeting, the provisions of these Articles relating to general meetings shall *mutatis mutandis* apply.

Article 16 provides that the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Article 17 provides that subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Article 18 provides that:

- 1.     The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:
  - a.     persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or
  - b.     employees under any scheme of employees' stock option; or
  - c.     any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.
- 2.     A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Article 19 provides that any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privilege or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the general meeting by a Special Resolution.

Article 62 provides that subject to the provisions of the Act, the Company may, by ordinary resolution –

- a. increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
- b. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- c. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- e. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Article 63 provides that where shares are converted into stock:

- a. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;
- b. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such 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;
- c. such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"member" shall include "stock" and "stock-holder" respectively.

Article 64 provides that the Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- a. its share capital; and/or
- b. any capital redemption reserve account; and/or
- c. any securities premium account; and/or
- d. any other reserve in the nature of share capital.

### **Joint Holders**

Article 65 provides that where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:

- a. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.
- b. On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
- c. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.
- d. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be

entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.

- e. Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares.
- f. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.
- g. The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

### **Share Certificate**

Article 10 provides that:

- 1. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its Shares as the case may be.
- 2. Every certificates of Shares shall be under the seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve.
- 3. In respect of a Share or Shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders

Article 11 provides that a person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.

Article 12 provides that if any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding such fee as may be prescribed under law) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable thereof in this behalf..

Article 13 provides that the provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

### **Underwriting Commission and brokerage**

Article 14 provides that:

- 1. The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, 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 the Act and the Rules.
- 2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.

3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

### **Lien**

Article 20 provides that:

1. The Company shall have a first and paramount lien upon all the Shares/debentures (other than fully paid-up Shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect.
2. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/debentures.
3. The Directors may at any time declare any Shares/debentures wholly or in part to be exempt from the provisions of this Article. It is clarified that the fully paid-up Shares shall be free from all lien and in case of partly paid-up Shares, Company's lien will be restricted to moneys called or payable at a fixed time in respect of such Shares.

Article 21 provides that the Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made-

- a. unless a sum in respect of which the lien exists is presently payable; or
- b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.

Article 22 provides that:

1. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
2. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
3. The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.
4. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

Article 23 provides that:

1. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
2. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Article 24 provides that in exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Article 25 provides that the provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Forfeiture of Shares**

Article 47 provides that if a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Article 48 provides that the notice aforesaid shall:

- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Article 49 provides that if the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Article 50 provides that neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Article 51 provides that when any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

Article 52 provides that the forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.

Article 53 provides that:

1. A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.
2. At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Article 54 provides that:

1. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
2. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.

Article 55 provides that 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.

Article 56 provides that:

1. A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
2. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
3. The transferee shall thereupon be registered as the holder of the share; and
4. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Article 57 provides that upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.

Article 58 provides that upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company

has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

Article 59 provides that the Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.

Article 60 provides that 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 had been payable by virtue of a call duly made and notified.

Article 61 provides that the provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### Calls on shares

Article 26 provides that:

1. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.
2. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
3. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.
4. A call may be revoked or postponed at the discretion of the Board.

Article 27 provides that a call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

Article 28 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 29 provides that:

1. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board.
2. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 30 provides that any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 31 provides that the Board may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

Article 32 provides that if by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.

Article 33 provides that all calls shall be made on a uniform basis on all shares falling under the same class.

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

Article 34 provides that neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall

from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

Article 35 provides that the provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Transfer of Shares**

Article 36 provides that the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The instrument of transfer of any Share in the Company shall be in writing, and all provisions of the Act shall be duly complied with, in respect of all transfer of shares and registration thereof.

Article 37 provides that the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 38 provides that subject to the provisions of the Act, these Articles and other applicable provisions of any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. Subject to these Articles, the Board may, subject to the right of appeal conferred by the Act and other provisions of the Act, decline to register-

- a. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- b. any transfer of shares on which the Company has a lien.

Article 39 provides that in case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless –

- a. the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
- b. 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
- c. the instrument of transfer is in respect of only one class of shares.

Article 40 provides that on giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made there under, the registration of transfers 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 41 provides that the provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **Transmission of Shares**

Article 42 provides that:

1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
2. Nothing in clause 1 above shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Article 43 provides that:

1. 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 from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

- a. to be registered himself as holder of the share; or
  - b. to make such transfer of the share as the deceased or insolvent member could have made.
2. 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.
  3. The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

Article 44 provides that:

1. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
2. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
3. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

Article 45 provides that 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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Article 46 provides that the provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company.

### **General Meetings**

Article 71 provides that all general meetings other than annual general meeting shall be called extraordinary general meeting.

Article 72 provides that the Board may, whenever it thinks fit, call an extraordinary general meeting.

Article 73 provides that:

1. A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed in the Act;
2. However a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

Article 74 provides that every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.

Article 75 provides that the notice of every meeting of the company shall be given to -

- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.

Article 76 provides that:

1. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
2. The quorum for a general meeting shall be as provided in the Act.

Article 77 provides that the Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Article 78 provides that if there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of the Directors to be Chairperson of the meeting.

Article 79 provides that if at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be Chairperson of the meeting.

Article 80 provides that on any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.

Article 81 provides that:

1. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.
2. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting –
  - a. is, or could reasonably be regarded, as defamatory of any person; or
  - b. is irrelevant or immaterial to the proceedings; or
  - c. is detrimental to the interests of the Company.
3. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.
4. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Article 82 provides that:

1. The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:
  - a. be kept at the registered office of the Company; and
  - b. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
2. Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above, Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

Article 83 provides that the Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Article 84 provides that:

1. The Chairperson may, suo moto, adjourn the meeting from time to time and from place to place.
2. In case quorum is not present the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.
3. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
4. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

5. Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Voting Rights**

Article 85 provides that subject to any rights or restrictions for the time being attached to any class or classes of shares –

- a. Subject to the provisions of the Act, on a show of hands, every member present in person shall have one vote; and
- b. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
- c. Every holder of a preference share in the capital of the Company shall be entitled to vote at a General Meeting of the Company only in accordance with limitations and provisions laid down in Section 47(2) of the Act.

Article 86 provides that a member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once on a particular resolution

Article 87 provides that

1. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
2. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 88 provides that a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

Article 89 provides that subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Article 90 provides that any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Article 91 provides that no member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

Article 92 provides that a member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.

Article 93 provides that any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

### **Proxy**

Article 94 provides that:

1. Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.
2. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Article 95 provides that an instrument appointing a proxy shall be in the form as prescribed in the Rules made under section 105.

Article 96 provides that a vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

## **Board of Directors**

Article 97 provides that, subject to the provisions of the Articles of Association, unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

Article 98 provides that:

1. Subject to the provisions of the Act and the rules made thereunder, the Managing Director or Managing Directors or Wholetime Director or Wholetime Directors shall not while he or they continue to hold that office be subject to retirement by rotation, provided that if any time the number of Directors (including Managing Director or Deputy Managing Director or whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of Directors for the time being, then such Managing Director or Deputy Managing Director or Whole-time Director as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with the Act to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being and such a retire by rotation shall not be treated as break in service and he or they shall subject to the provisions of any contract between him or them and the Company, be subject to the same provisions as resignation and removal as the other Directors of the Company and he or they shall ipso facto and immediately cease to be Managing Director or Managing Directors or Wholetime Director or Wholetime Directors if he or they cease to hold the office of Director from any cause
2. The Board shall also have the power to determine the Directors whose period of office is or is not liable to determination by retirement of directors by rotation.
3. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company

Article 99 provides that:

1. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
2. The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.

Article 100 provides that:

1. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them in attending the Financial Institution shall be entitled to depute an observer to attend the meetings of the Board or any other Committee (of which the Nominee Director is a member) constituted by the Board, when such Nominee Director is not able to attend.
2. In attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or in connection with the business of the Company.
3. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid sitting fees as may be decided by the Board of Directors within the limit prescribed under the Act and all traveling, hotel and other expenses properly incurred by them:-
  - a. in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company;
  - b. in connection with the business of the Company.

Article 101 provides that all cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 102 provides that:

1. Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
2. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

Article 103 provides that:

1. The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India.
2. If the term of office of the Original Director is determined before he returns to India the automatic reappointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 104 provides that:

1. If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.
2. The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

Article 105 provides that:

1. Subject to the provisions of the Act, and notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Financing Company or Body or Financial Corporation or Credit Corporation or Bank or any Insurance Corporation (each such Financing Company or Body or Financial Corporation, Credit Corporation or Bank or any Insurance Corporation is hereinafter referred to as "Financial Institution") out of any Loans granted by the Financial Institution to the Company or so long as any liability of the Company arising out of any guarantee furnished by the financial Institution on behalf of the Company remains outstanding, the Financial Institution shall have a right to appoint from time to time, its nominee as a Director (which Director is hereinafter referred to as "Nominee Director") on the Board of the Company and to remove from such office the Nominee Directors so appointed and at the time of such removal and also in the case of death or resignation of the Nominee Director so appointed, at any time to appoint any other person in his place and also fill any vacancy which may occur as a result of such Director ceasing to hold office for any reasons whatsoever, such appointment or removal shall be made in writing on behalf of the Financial Institution appointing such Nominee Director and shall be delivered to the Company at its Registered Office.
2. The Nominee Director may not be liable to retirement by rotation nor shall be required to hold any qualification shares in the Company to qualify him for office of a Director. Subject to the aforesaid, the said Nominee Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
3. The Nominee Director so appointed shall hold the office only so long as any moneys remain owing by the Company to the Financial Institution or so long as the liability of the Company arising out of any guarantee, is outstanding and the Nominee Director so appointed in exercise of the said power shall ipso facto vacate such office, immediately the moneys owing by the company to the Financial Institution is paid off or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Financial Institution.
4. The Nominee Director appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meeting and the Meetings of the Committee of Directors of which the Nominee Director is a member as also to receive the minutes of such meetings. The Financial Institution shall also be entitled to receive all such notices and minutes.
5. The Company shall pay to the Nominee Director, as per the instruction of Financial Institution, sitting fees and expenses to which the other Directors of the Company are entitled. The Financial Institution shall be entitled to depute an observer to attend the meetings of the Board or any other Committee (of which the Nominee Director is a member) constituted by the Board, when such Nominee Director is not able to attend.
6. The Nominee Director shall, notwithstanding anything to the contrary contained in these Articles, be at liberty to disclose any information obtained by him to the Financial Institution appointing him as such Director.

Article 106 provides that:

1. Notwithstanding anything to the contrary contained in these Articles, as long as any of Standard Chartered Private Equity (Mauritius) II Limited, Standard Chartered Private Equity (Mauritius) III Limited and/or Marina West (Singapore) Pte. Ltd. or any of their associates or affiliates (together the "SCPE Entities") individually or jointly hold 2.5% of the fully diluted paid-up share capital of the Company, the SCPE Entities shall be entitled to jointly nominate one (1) Director to the Board of Directors of the Company ("Investor Director"), subject to the approval of the members of the Company through a special resolution passed at the first general meeting of the Company held post completion of an initial public offering of the equity shares of the Company.

2. The Investor Director may not be liable to retirement by rotation nor shall be required to hold any qualification shares in the Company to qualify him for office of a Director. Subject to the aforesaid, the said Investor Director shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.
3. The SCPE Entities may require the removal of the Investor Director nominated by them to the Company and nominate another individual as a Director in his/her place, and the other shareholders and the Company shall exercise their rights to ensure the appointment of the individual nominated as aforesaid.

### **Powers of Board**

Article 107 provides that the management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

### **Proceedings of the Board**

Article 108 provides that:

1. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
2. A Director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
3. The quorum for a Board meeting shall be as provided in the Act.
4. The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Article 109 provides that:

1. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
2. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

Article 110 provides that the continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

Article 111 provides that:

1. The Chairperson of the Company shall be the Chairperson at meetings of the Board. In his absence, the Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

Article 112 provides that:

1. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.
2. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
3. The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio-visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.

Article 113 provides that:

1. A Committee may elect a Chairperson of its meetings unless the Board, while constituting a Committee, has appointed a Chairperson of such Committee.

2. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Article 114 provides that:

1. A Committee may meet and adjourn as it thinks fit.
2. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present.
3. In case of an equality of votes, the Chairperson of the Committee shall have a second or casting vote.

Article 115 provides that all acts done in any meeting of the Board or of a Committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

Article 116 provides that save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

### **Registers**

Article 118 provides that the Company shall keep and maintain at its registered office either in electronic mode or in physical mode all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.

Article 119 provides that no fee shall be charged for registration of transfer, transmission, nomination, probate, succession certificate, letters of administration, or certificate of birth, death or marriage, power of attorney or other similar documents.

Article 120 provides that:

1. The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.
2. The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the register of members.

### **Dividends and Reserve**

Article 122 provides that the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

Article 123 provides that subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

Article 124 provides that:

1. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
2. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 125 provides that:

1. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is

paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.
3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Article 126 provides that:

1. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
2. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.

Article 127 provides that:

1. Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post or courier directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
3. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

Article 128 provides that any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Article 129 provides that no dividend shall bear interest against the Company.

Article 130 provides that the waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

## **Winding Up**

Article 132 provides that subject to the applicable provisions of the Act and the Rules made thereunder –

- a. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the 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.
- b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **Indemnity and Insurance**

Article 133 provides that:

1. Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

2. Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.
3. The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

## **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 delivered to the RoC for registration. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, other than the documents executed after the Bid/Offer Closing Date.

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 applicable law.

#### **A. Material Contracts for the Offer**

1. Offer Agreement dated March 8, 2019 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated March 8, 2019 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Escrow Collection Bank(s), the Public Offer Bank(s), the Refund Bank(s), the Sponsor Bank(s) and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members.
6. Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Underwriters.

#### **B. Material Documents in relation to the Offer**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.
2. Certificate of Incorporation dated May 4, 1984.
3. Certificate of Incorporation consequent upon change in status of our Company to a deemed public limited company name from Consolidated Power Systems Private Limited Systems to Consolidated Power Systems Limited dated May 4, 1984.
4. Fresh Certificate of Incorporation consequent upon change of name from Consolidated Power Systems Limited to Powerica Limited dated October 5, 1989.
5. Resolution of the Board of Directors dated July 30, 2018 and February 5, 2019 in relation to this Offer and other related matters.
6. The board resolution dated February 11, 2019 from Marina West and letters dated March 7, 2019, from Naresh Chander Oberoi, Kharatiram Kharak Puri, Bharat Naresh Oberoi, Renu Naresh Oberoi, T.B. Nedungadi and Sunil Kumar Khurana, approving the Offer for Sale.
7. Share Subscription cum Shareholders' Agreement dated September 25, 2007, as amended, between our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Rajat Oberoi (deceased), Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi and Sunil Kumar Khurana along with the Addendum dated February 25, 2008 and the Amendment Agreement dated February 28, 2011.
8. Deed of Adherence dated March 20, 2017 entered into in terms of the Share Subscription cum Shareholders' Agreement between our Company, SCP II, SCP III, Naresh Chander Oberoi, Kharatiram Kharak Puri, Renu Naresh Oberoi, T.B. Nedungadi, Naresh Chander Oberoi HUF, Bharat Naresh Oberoi, Sunil Kumar Khurana and Marina West.

9. Second amendment agreement dated March 8, 2019 to Share Subscription cum Shareholders' Agreement dated September 25, 2007, between our Company, SCP II, SCP III, Marina West, Naresh Chander Oberoi, Kharatiram Kharak Puri, Bharat Naresh Oberoi, Renu Naresh Oberoi, T.B. Nedungadi and Sunil Khurana.
10. Agreement to Assign dated May 23, 1984 between Hindustan Industrial & Electrical Engineers and Consolidated Power Systems Private Limited.
11. Scheme of amalgamation of Auto Power Controls (Bombay) Private Limited and Pondy Diesel Power and Controls Private Limited with our Company.
12. Scheme of amalgamation between Quadrant Engineers Limited and our Company.
13. Letter dated February 25, 2016 for appointment of Naresh Chander Oberoi as Chairman and Managing Director of our Company.
14. Letter dated February 25, 2016 for appointment of Bharat Naresh Oberoi as Joint Managing Director of our Company.
15. Letter for appointment of Renu Naresh Oberoi as Whole Time Director of our Company.
16. The examination report dated February 5, 2019 of the Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, on the Restated Financial Information, included in this Draft Red Herring Prospectus.
17. The Statement of Special Tax Benefits dated February 5, 2019 from the Statutory Auditors.
18. Consents of the Directors, Selling Shareholders, Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, the BRLMs, the Syndicate Members, Legal Counsel to our Company as to Indian Law, Domestic Legal Counsel as to Indian Law to the Underwriters, Special United States Legal Counsel to the Underwriters, Registrars to the Offer, Escrow Collection Banks, Refund Banks, Sponsor Banks, Bankers and lenders to our Company and Company Secretary and Compliance Officer as referred to in their specific capacities.
19. Consent letter dated August 3, 2018 from the Statutory Auditors, Jayantilal Thakkar & Co., Chartered Accountants, to include its name of an expert herein.
20. Consent letters dated June 8, 2018 and June 22, 2018 from New Age TechSci Research Private Limited, industry analysts, to include its name of an expert herein.
21. Consent letters dated April 30, 2018 from Enincon Consulting LLP, industry analysts, to include its name of an expert herein.
22. Due Diligence Certificate dated March 8, 2019 addressed to SEBI from the BRLMs.
23. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.
24. Tripartite Agreement dated February 28, 2011 between our Company, NSDL and Registrar to the Offer.
25. Tripartite Agreement dated February 2, 2011 between our Company, CDSL and Registrar to the Offer.
26. India Diesel Genset Market Forecast and Opportunities FY 2011- FY 2025 report dated June 2018 prepared by New Age TechSci Research Private Limited.
27. Wind Market Outlook in India 2017-2018 dated April 30, 2018 prepared by Enincon Consulting LLP.
28. Global Medium Speed Large Generators Market Forecast and Opportunities, 2013-2023 dated May 2018 prepared by New Age TechSci Research Private Limited.
29. RoC search report, dated June 19, 2018, by Mehta and Mehta.
30. Copy of Annual Reports of our Company for Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016.
31. SEBI observation letter no. [●] dated [●].

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government or the guidelines or regulations 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**Naresh Chander Oberoi**  
(Chairman and Managing Director)

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**Bharat Naresh Oberoi**  
(Joint Managing Director)

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**Kharatiram Kharak Puri**  
(Non-Executive Non-Independent Director)

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**Renu Naresh Oberoi**  
(Whole Time Director)

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**Pradeep Gupta**  
(Whole Time Director)

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**Udai Dhawan**  
(Nominee Director)

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**Ghanshyam Dass**  
(Independent Director)

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**Dinesh Kumar**  
(Independent Director)

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**Krishen Dev**  
(Independent Director)

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**Prakash Yashwant Gurav**  
(Independent Director)

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**Maheshwar Sahu**  
(Independent Director)

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**Shailesh Shankerlal Vaidya**  
(Independent Director)

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**Vibhav Parikh**  
(Alternative Director)

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**Vijay Kumar**  
(Chief Financial Officer)

Date: March 8, 2019  
Place: Mumbai

## **DECLARATION**

The undersigned Promoter Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Promoter Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**Naresh Chander Oberoi**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

The undersigned Promoter Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Promoter Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**Kharatiram Kharak Puri**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

The undersigned Promoter Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Promoter Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**Bharat Naresh Oberoi**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

The undersigned Promoter Group Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Promoter Group Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**Renu Naresh Oberoi**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

The undersigned Employee Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Employee Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**T.B. Nedungadi**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

The undersigned Employee Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Employee Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

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**Sunil Kumar Khurana**

Date: March 8, 2019

Place: Mumbai

## **DECLARATION**

We, Marina West (Singapore) Pte. Ltd., hereby confirm that all statements and undertakings specifically made by us in this Draft Red Herring Prospectus in relation to ourselves, and the Equity Shares being sold by us pursuant to the Offer for Sale, are true and correct. We assume no responsibility for any other statement including statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

**Signed for and on behalf of Marina West (Singapore) Pte. Ltd.**

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**Authorised Signatory**

Name: Paul Grose

Designation: Authorised Signatory

Date: March 8, 2019