PROSPECTUS
Dated: March 26, 2018
Please read section 26 and section 32 of the Companies Act, 2013
100% Book Built Offer

MISHRA DHATU NIGAM LIMITED

Our Company was incorporated as Mishra Dhatu Nigam Private Limited on November 20, 1973 under applicable provisions of the Companies Act, 1956, with the Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad ("**RoC**"). Being a Government Company, the word 'private' was deleted from the name of our company by the RoC on June 15, 1974 by virtue of General Statutory Rules ("**G.S.R.**") No. 1234 dated December 30, 1958 issued by the Central Government. The status of our Company was changed from 'private limited company' to 'deemed public limited company' under the provision of section 43A of the Companies Act, 1956 with effect from July 01, 1983. Thereafter, the status of our Company was again changed to 'private limited' pursuant to the notification of the Companies (Amendment) Act, 2000 on February 27, 2001 and the word 'private' was not inserted in the certificate of incorporation by virtue of the above said G.S.R. Our Company was converted into a 'public limited company' with effect from November 13, 2017 and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC. For further details, *see "History and Certain Corporate Matters" on page 114*.

Registered and Corporate Office: P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India.
Contact Person: Paul Antony, Company Secretary and Compliance Officer; **Tel:** +91-040-24340853; Fax: + 91-040-24340214; **E-mail:** secretary@midhani.com;
Website: www.midhani.com; **Corporate Identity Number:** U14292TG1973GOI001660

OUR PROMOTER: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF DEFENCE

PUBLIC OFFER OF 48,708,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MISHRA DHATU NIGAM LIMITED ("OUR COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF DEFENCE ("THE SELLING SHAREHOLDER") FOR CASH AT A PRICE OF ₹ 90 * PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING UPTO ₹ 4,328.96# MILLION ("THE OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 1,873,400 EQUITY SHARES AGGREGATING TO ₹ 162.99* MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER CONSTITUTE 26.00% AND 25.00% RESPECTIVELY, OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS ₹ 90 PER EQUITY SHARE AND IS 9 TIMES THE FACE VALUE OF THE EQUITY SHARES

**Retail Discount of ₹ 3 per Equity Share to the Offer Price was offered to the Retail Individual Bidders and Employee Discount of ₹ 3 per Equity Share to the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion.*
 # Subject to finalisation of Basis of Allotment.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), this is an Offer for at least 25% of the post-Offer paid-up Equity Share capital of our Company. In accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), the Offer was made through the Book Building Process wherein 50% of the Net Offer was made available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") ("**QIB Portion**"). 5% of the QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, 1,873,400 Equity Shares were reserved for allocation on a proportionate basis to Eligible Employees, subject to valid bids being received at or above the Offer Price. All potential Bidders mandatorily participated in the Offer through an Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account which were blocked by the Self Certified Syndicate Banks ("**SCSBs**"). For details, see "*Offer Procedure*" on page 298.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 each and the Floor Price is 8.7 times the face value and the Cap Price is 9.0 times the face value. The Offer Price (determined by our Company and the Selling Shareholder in consultation with the BRLMs as stated in "*Basis for Offer Price*" on page 73) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 17.

OFFEROR'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this 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 Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder confirms all information set out about itself as the Selling Shareholder in context of the Offer for Sale included in this Prospectus and accepts responsibility for statements in relation to itself and the Equity Shares being sold by it in the Offer for Sale.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 31, 2018 and February 01, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited ("**BSE**"). A copy of the Red Herring Prospectus and this 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 upto the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 361.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
SBI Capital Markets Limited 202, Maker Tower 'E, Cuffe Parade Mumbai - 400005, Maharashtra, India **Tel:** +91 (22) 22178300 **Fax:** +91 (22) 22188332 **E-mail:** midhani.ipo@sbicaps.com **Investor grievance e-mail:** investor.relations@sbicaps.com **Contact Person:** Janardhan Wagle **Website:** www.sbicaps.com **SEBI Registration No.:** INM000003531	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited) 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai – 400 021, Maharashtra, India **Tel.:** +91 22 4322 1212 **Fax:** +91 22 2285 0785 **E-mail:** ipo.midhani@idbicapital.com **Investor grievance e-mail**: redressal@idbicapital.com **Contact Person:** Sumit Singh **Website:** www.idbicapital.com **SEBI Registration No.:** INM000010866	**Alankit Assignments Limited** 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110055, India **Tel:** +91 11-4254 1234; 2354 1234 **Fax:** +91 11 4154 3474 **Email:** midhani_ipo@alankit.com; **Investor grievance email:** midhani_igr@alankit.com; **Contact Person:** Pankaj Goenka/Bojiman kh **Website:** www.alankit.com **SEBI Registration No**: INR000002532

BID/OFFER PROGRAMME

BID/ OFFER OPENED ON: WEDNESDAY, MARCH 21, 2018	BID/ OFFER CLOSED ON: FRIDAY, MARCH 23, 2018

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CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATION

This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in "Statement of Tax Benefits", "Industry Overview", "Financial Statements", "Outstanding Litigation and Other Material Developments", and "Main Provisions of Articles of Association" on pages 76, 78, 141, 267 and 340, respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Term	Description
"our Company", the "Company", the "Offeror", "we", "us" or "our"	Mishra Dhatu Nigam Limited, a company incorporated under the Companies Act, 1956, having its registered office at P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India

Company Related Terms

Term	Description
Articles of Association/ AoA	The articles of association of our Company, as amended
Audit Committee	The audit committee of the Board of Directors described in *"Our Management"* on page 127
Board/Board of Directors	The board of directors of our Company or a duly constituted committee thereof
CPSE Capital Restructuring Guidelines	An Office Memorandum bearing F. No. 5/2/2016-Policy dated May 27, 2016, issued by Department of Investment and Public Asset Management, Ministry of Finance, Government of India ("**DIPAM**") on Guidelines on Capital Restructuring of Central Public Sector Enterprises
CSR and SD Committee	The Corporate Social Responsibility and Sustainable Development Committee of our Board of Directors which was constituted pursuant to the board meeting held on November 19, 2011 and as described in *"Our Management"* on page 130
Director(s)	The director(s) of our Company
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
Independent Director(s)	Independent Director(s) on our Board
IPO Committee	The committee constituted by our Board for the Offer, as described in "*Our Management*" on page 130
Key Management Personnel	Key management personnel of our Company in terms of regulation 2(1)(s) of the SEBI ICDR Regulations and as disclosed in *"Our Management"* on page 134
Materiality Policy	Our Company, in its Board meeting held on December 14, 2017 adopted a policy on identification of material creditors and material litigations
Memorandum of Association/ MoA	The memorandum of association of our Company, as amended
MoD	The Ministry of Defence, Government of India
MoU	The Memorandum of Understanding that our Company enters into with the Department of Defence Production, MoD every financial year
Nominee Director(s)	Director(s) on our Board, nominated by the MoD
Promoter	The Promoter of our Company being the President of India acting through the MoD
Registered Office	The registered and corporate office of our Company is located at P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India
Restated Financial Statements	The restated audited financial statements of our Company which comprises, in each case: the audited balance sheet, the audited statement of profit and loss and the audited cash flow statements as at and for the six months period ended September 30, 2017, the financial years ended March 31, 2017, March 31, 2016 and March 31, 2015 and notes thereto

Term	Description
	prepared in accordance with Ind As and the Companies Act and the rules made thereunder; and the audited balance sheet, the audited statement of profit and loss and the audited cash flow statements as at and for the financial years ended March 31, 2014 and March 31, 2013 and notes thereto, prepared in accordance with Indian GAAP and the Companies Act/ Companies Act, 1956, as applicable, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexures thereto
RoC	Registrar of Companies, Andhra Pradesh and Telangana, situated at Hyderabad, Telangana, India
SEBI Exemption Letter 1	Our Company has received relaxation from the strict enforcement of compliance with certain SEBI ICDR Regulations and SEBI Listing Regulations at the time of filing the Red Herring Prospectus vide the letter issued by SEBI numbered SEBI/HO/CFD/DIL1/OW/P2017/18400/1 dated August 03, 2017
SEBI Exemption Letter 2	Our Company has received relaxation from the strict enforcement of compliance with certain SEBI ICDR Regulations and SEBI Listing Regulations at the time of filing the Red Herring Prospectus vide the letter issued by SEBI numbered SEBI/HO/CFD/DIL1/OW/P2018/1682/1 dated January 17, 2018
SEBI Exemption Letters	Our Company has received relaxation from the strict enforcement of compliance with certain SEBI ICDR Regulations and SEBI Listing Regulations at the time of filing the Red Herring Prospectus vide the following letters issued by SEBI: (i) letter number SEBI/HO/CFD/DIL1/OW/P2017/18400/1 dated August 03, 2017; and (ii) letter number SEBI/HO/CFD/DIL1/OW/P2018/1682/1 dated January 17, 2018.
Shareholders	Shareholders of our Company
Stakeholders Relationship Committee	Stakeholders relationship committee of our Board of Directors as described in *"Our Management"* on page 129
Statutory Auditor/ Auditor	The statutory auditor of our Company, namely, M/s. Basha & Narasimhan, Chartered Accountants

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the transfer of Equity Shares offered by the Selling Shareholder pursuant to the Offer for Sale, to the successful Bidders
Allotment Advice	Note, 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
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by an ASBA Bidder, to make a Bid and authorize a SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with a SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations
ASBA Bidder	Any Bidder in the Offer who intends to submit a Bid
ASBA Form/Bid cum Application Form	An application form, whether physical or electronic, used by an ASBA Bidder and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an issue) Regulations, 1994 and with whom the Public Offer Account has been opened, namely Kotak Mahindra Bank Limited and Indian Overseas Bank
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 329

Term	Description
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations in terms of the Red Herring Prospectus and the ASBA Form The term Bidding shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account, as the case may be, upon submission of the Bid which shall be net of the Employee Discount/Retail Discount, as applicable
Bid Lot	150 Equity Shares and in multiple of 150 Equity Shares thereafter
Bid/Offer Closing Date	Friday, March 23, 2018
Bid/Offer Opening Date	Wednesday, March 21, 2018
Bid/Offer Period	The period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders submited their Bids, including any revisions thereof
Bidder or Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the ASBA Form and unless otherwise stated or implied
Bidding Centres	Centres at which the Designated Intermediaries accepted the Bid cum Application Forms, i.e., Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The Book Running Lead Managers being, SBI Capital Markets Limited and IDBI Capital Markets & Securities Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders have submitted the ASBA Forms to a Registered Broker The details of such Broker centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Cap Price	₹ 90 per Equity Shares being the higher end of the Price Band, above which the Offer Price was not finalised and above which no Bids were accepted
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, and a list of such locations is available on the website of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholder, in consultation with the BRLMs, which is ₹ 90 price within the Price Band Only Retail Individual Bidders and the Eligible Employees Bidding in the Retail Portion and Employee Reservation Portion, respectively were entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders were 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 CDP Locations	Such locations of the CDPs where Bidders have submitted the ASBA Forms to the CDPs The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the SCSBs unblock funds from the ASBA Accounts and transfer to the Public Offer Account after filing of this Prospectus with the RoC, and after finalisation of Basis of Allotment in consultation with the Designated Stock Exchange, following which

Term	Description
	the Selling Shareholder shall give delivery instructions for the transfer of the Offered Shares
Designated Intermediaries	Syndicate Member, sub-Syndicate/agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders have submitted the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	BSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated January 16, 2018 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer
Eligible Employee	A permanent and full-time employee of our Company (excluding such employee not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of registration of the Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India and continued to be on the rolls of our Company as on the date of submission of their ASBA Form and Bidding in the Employee Reservation Portion. Directors, Key Management Personnel and other employees of our Company involved in the Offer Price fixation process cannot participate in the Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009). An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a "permanent employee" 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 (excluding Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (excluding 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 constituted an invitation to subscribe or to purchase the Equity Shares
Employee Discount	Discount of ₹ 3 per Equity Share to the Offer Price, which was offered to Eligible Employees Bidding in the Employee Reservation Portion
Employee Reservation Portion	The portion of the Offer being upto 1,873,400 Equity Shares, that is reserved for allocation and Allotment to Eligible Employees on proportionate basis, pursuant to the approval from DIPAM vide its Office Memorandum no. 4/27/2017-DIPAM-II-A dated March 05, 2018. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 on a net basis.
Escrow Agreement	The agreement dated March 08, 2018 entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Escrow Collection Bank(s) and the Refund Bank(s) for transfer of funds to and from Public Offer Account and where applicable, refunds of the amounts collected, on the terms and conditions thereof
First Bidder	Bidder whose name was mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name was also appearing as the first holder of the beneficiary account held in joint names
Floor Price	₹ 87 per Equity Shares being the lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price was finalised and below which no Bids were accepted

Term	Description
General Information Document/ GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015, (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, suitably modified and included in "*Offer Procedure*" on page 298
Maximum RIB Allottees	The maximum number of Retail Individual Bidders who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot
Mutual Fund Portion	5% of the QIB Portion, or 11,70,875 Equity Shares which was made available for allocation to Mutual Funds only
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion being 46,835,000 Equity Shares. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Offered Shares for an amount more than ₹ 200,000 (but not including Eligible Employees Bidding in the Employee Reservation Portion)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of 70,25,250 Equity Shares which was available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price
Non-Resident	A person resident outside India as defined under FEMA and includes a Non-Resident Indian, FVCIs and FPIs
Offer/ Offer for Sale	The initial public offering of our Company through the offer for sale of 48,708,400 Equity Shares by the Selling Shareholder at the Offer Price, aggregating to ₹ 4,328.96 million, in terms of the Red Herring Prospectus. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99* million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company *Subject to finalization of the Basis of Allotment
Offer Agreement	The agreement dated January 11, 2018 entered into among our Company, the Selling Shareholder, and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price (net of Retail Discount and Employee Discount, as applicable) within the Price Band at which Offered Shares will be Allotted to successful Bidders in terms of the Red Herring Prospectus
Offer Proceeds	The proceeds of this Offer based on the total number of Offered Shares Allotted under this Offer and the Offer Price
Offered Shares	48,708,400 Equity Shares were offered for sale by the Selling Shareholder in the Offer. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company
Pre-Offer Advertisement	The pre-Offer advertisement published by our Company under regulation 47 of the SEBI ICDR Regulations and section 30 of the Companies Act, 2013 after registration of the Red Herring Prospectus with the RoC, in all editions of English national daily newspaper Financial Express, all editions of Hindi national daily newspaper Jansatta and in Hyderabad edition of Telugu daily newspaper Navatelangana, (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation
Price Band	Price band of a minimum price of ₹ 87 per Equity Share (Floor Price) and the maximum price of ₹ 90 per Equity Share (Cap Price) including any revisions thereof

Term	Description
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, finalised the Offer Price, being ₹ 90
Prospectus	The Prospectus dated March 26, 2018 filed with the RoC after the Pricing Date in accordance with section 26 and section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	A bank account opened with the Bankers to the Offer by our Company under section 40(3) of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date
QIB Category/QIB Portion	The portion of the Net Offer being not more than 50% of the Net Offer comprising of 2,34,17,500 Equity Shares which shall be available for allocation to QIBs on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus dated March 08, 2018 issued in accordance with section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares were offered and the size of the Offer
Refund Bank(s)	Kotak Mahindra Bank Limited and Indian Overseas Bank
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated January 11, 2018 entered into among our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar to the Offer or Registrar	Alankit Assignments Limited, a company incorporated under the Companies Act, 1956, having its registered office at 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi- 110 055, India
Retail Discount	Discount of ₹ 3 per Equity Share to the Offer Price was given to Retail Individual Bidders in the Retail Portion
Retail Individual Bidder(s)/ RIB(s)	Individual Bidders, other than Eligible Employees Bidding in the Employee Reservation Portion who have Bid for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Net Offer being not less than 35% of the Net Offer consisting of 16,392,250 Equity Shares which was available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations subject to valid Bids having been received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Offered Shares Bid for, or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders were not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) or such other websites and updated from time to time
Selling Shareholder	The President of India, acting through the Department of Defence Production, MoD.
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement namely Alankit

Term	Description
	Assignments Limited
Share Escrow Agreement	The agreement dated March 08, 2018 entered into among our Company, the Selling and the Share Escrow Agent in connection with the transfer of the Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate accepted ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or such other websites and updated from time to time
Stock Exchanges	BSE Limited and the National Stock Exchange of India Limited
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Member, to collect ASBA Forms and Revision Forms
Syndicate Agreement	The agreement dated March 08, 2018, entered into among the BRLMs, the Syndicate Member, our Company and the Selling Shareholder in relation to the collection of ASBA Forms by Syndicate Member
Syndicate Member	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case, SBICAP Securities Limited
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Member
Systemically Important Non-Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements
Underwriters	The BRLMs and the Syndicate Member
Underwriting Agreement	The agreement dated March 26, 2018 entered into among the Underwriters, our Company and the Selling Shareholder on or after the Pricing Date
Willful Defaulter	A company or a person categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
APICORP	Arab Petroleum Investments Corporation
AMP	Automotive Mission Plan 2016-26
BARC	Bhabha Atomic Research Centre
BHEL	Bharat Heavy Electricals Limited
BMS	Battlefield Management System
BRICS	Brazil, Russia, India, China, South Africa
CAGR	Compound Annual Growth Rate
COMAC	Commercial Aircraft Corporation of China
CR	Cold Rolled
CSIR-NAL	Council of Scientific and Industrial Research-National Aerospace Laboratories
CY	Calendar Year
DAE	Department of Atomic Energy
DPP	Defence Procurement Procedure
DPSUs	Defence Public Sector Undertakings
DRDO	Defence Research and Development Organization
EMDEs	Emerging and Developing Economies
EO	Earth Observation
ESO	Engineering Services Outsourcing
EU	European Union
FDI	Foreign Direct Investment
FICV	Future Infantry Combat Vehicle
FIPB	Foreign Investment Promotion Board
G20	(Group of Twenty) Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States, and the European Union
GCF	Gross Capital Formation
GDP	Gross Domestic Product
GSR	General Statutory Rules
HAL	Hindustan Aeronautics Limited
HR	Hot Rolled
IAF	Indian Air Force
IC	Indigenous Component
IDDM	Indigenously Designed, Developed and Manufactured
IEA	International Energy Agency
IGMDP	Integrated Guided Missile Development Programme
IMF	International Monetary Fund
IMT	Industrial Model Township
ISAR	Inverse SAR
ISO	International Organization for Standardization
ISRO	Indian Space Research Organization
ITES	Information Technology Enabled Services
KV/KVs	Kilovat(s)
LAV	Light Armored Vehicle
LCA	Light Combat Aircraft

Term	Description
Mm	Millimeter
MMRCA	Medium Multi-Role Combat Aircraft
MOSPI	Ministry of Statistics and Program Implementation
MoU	Memorandum of Understanding
MPa	Mega Pascal
MSMEs	Micro, Small & Medium Enterprises
MT	Metric Tonnes
OEM	Original Equipment Manufacturer
OF	Ordnance Factories
O&G	Oil and Gas
PH Steel	Precipitation Hardening Steel
PSUs	Public Sector Undertakings
R&D	Research and Development
RSH	Reconnaissance and Surveillance Helicopter
SAGW	Surface to Air Guided Weapon
SAR	Synthetic Aperture Radar
SCORES	SEBI Complaints Redress System
SIPRI	Stockholm International Peace Research Institute
SME	Small and Medium Sized Enterprises
SWAT	Special Weapons And Tactics
ToT	Transfer of Technology
T&E	Testing and Evaluation
UAV	Unmanned Aerial Vehicles
UK	United Kingdom
VSSC	Vikram Sarabhai Space Centre
WPI	Wholesale Price Index

Conventional and General Terms or Abbreviations

Term	Description
₹ /Rs./Rupee(s)/INR	Indian Rupees
AGM	Annual General Meeting
AGM (ES-I)	Additional General Manager (Engineering Services-I)
AGM (ES-II)	Additional General Manager (Engineering Services-II)
AGM (ES-III)	Additional General Manager (Engineering Services-III)
AGM (F&A)	Additional General Manager (Finance and Accounts)
AGM (Process Assurance)	Additional General Manager (Process Assurance)
AGM (vg)	Additional General Manager (Vigilance)
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	The Air (Prevention and Control of Pollution) Act, 1981
Approval of Models Rules	The Legal Metrology (Approval of Models) Rules, 2011
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
Category I Foreign Portfolio Investors	FPIs who are registered with SEBI as “Category I foreign portfolio investors” under the SEBI FPI Regulations

Term	Description
Category II Foreign Portfolio Investors	FPIs who are registered with SEBI as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered with SEBI as "Category III foreign portfolio investors" under the SEBI FPI Regulations
CMD	Chairman and Managing Director
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidders beneficiary account
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	FDI Policy issued by the DIPP by circular D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, as amended
CPSE	Central Public Sector Enterprise
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DGM(MKTG)	Deputy General Manager (Marketing)
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
Director(P&M)	Director (Production and Marketing)
DP ID	Depository Participant's Identification
DP/Depository Participant	A depository participant as defined under the Depositories Act, 1996
DPE	Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India
Environment Act or EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations made thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended
Financial Year/FY/Fiscal	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	A foreign portfolio investor as defined under the SEBI FPI Regulations
FTA	Foreign Trade (Development and Regulation) Act, 1992
FTP	Foreign Trade Policy (2015 - 2020)
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GIR	General Index Register
GM (HR)	General Manager (Human Resource)
GM (OP&SP)	General Manager (Operations and Strategic Planning)
GM (QCL, AMTL & Spl. Prod))	General Manager (Quality Control Lab, Aeronautical Material Testing Laboratory and

Term	Description
	Special Products)
GM (PMO)	General Manager (Project Management Office)
GM (R&D)	General Manager (Research and Development)
GoI or Government	Government of India
GST	Goods and Services Tax
Hazardous Wastes Rules	The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family
I(D&R) Act	Industrial (Development and Regulation) Act, 1951, as amended
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act, 1961
Ind As	The Indian Accounting Standards
Ind As Rules	Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
Legal Metrology Act	Legal Metrology Act, 2009
MICR	Magnetic Ink Character Recognition
MoU	Memorandum of understanding
N.A./NA	Not Applicable
NAV	Net Asset Value
NACH	National Automated Clearing House
NEFT	National Electronic Fund Transfer
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA, OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PIL	Public Interest Litigation
PSU	Public Sector Undertaking
Public Liability Act	Public Liability Insurance Act, 1991

Term	Description
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
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
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
Sq. ft.	Square feet
Sq. mt.	Square meter
Sr. Mgr.(IT)	Senior Manager (Information Technology)
State Government	The Government of a State in India
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. person	U.S. person as defined in Regulation S promulgated under the U.S Securities Act, 1933
U.S. QIBs	Qualified Institutional Buyers, as defined in Rule 144A promulgated under the U.S. Securities Act
U.S. Securities Act	United States Securities Act of 1933, as amended
U.K. or UK	United Kingdom
U.S./U.S.A./United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US$	United States Dollars
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Water Act	The Water (Prevention and Control of Pollution) Act, 1974, as amended
Water Cess Act	The Water (Prevention and Control of Pollution) Cess Act, 1977, as amended

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA

Certain Conventions

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

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

Financial Data

Unless stated otherwise, the financial information in this Prospectus is derived from our Restated Financial Statements prepared in accordance with Ind As, Indian GAAP and the Companies Act, as applicable, restated in accordance with the SEBI ICDR Regulations.

Our Company's Financial Year commences on April 1 and ends on March 31 of the following year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Unless the context otherwise requires, all references to a year in this Prospectus are to a calendar year and references to a financial year are to March 31 of that calendar year.

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two or one decimal places. In certain instances, the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

There are significant differences between Indian GAAP, Ind As, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to Ind As, 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 Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind As and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should accordingly be limited. Our annual financial statements for periods subsequent to April 01, 2017, have been prepared and presented in accordance with Ind As. Given that Ind As differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind As may not be comparable to our historical financial statements prepared under the Indian GAAP.

On February 16, 2015, the Ministry of Corporate Affairs issued the Ind As Rules for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. Ind As Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with the Indian Accounting Standards converged with IFRS, although any company may voluntarily implement Ind As for the accounting period beginning from April 1, 2015.

We have not made any attempt to quantify or identify the impact of the differences between Indian GAAP and Ind As applied to our financial statements and it is urged that you consult your own advisors regarding the impact of difference, if any, on financial data included in this Prospectus.

For details in connection with risks involving differences between Indian GAAP and IFRS see "*Risk Factors – Significant difference exists between Indian GAAP and other accounting principles, such as US GAAP, Indian Accounting Standards and IFRS, which may be material to investors' assessments of our financial condition*" on page 32 and "*Summary of Significant Differences between Indian GAAP and Ind As*" on page 244.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 17, 97 and 245, respectively, and elsewhere in this Prospectus have been calculated on the basis of our Restated Financial Statements.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹ " or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Prospectus contains conversion 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.

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

(Amount in ₹ , unless otherwise specified)

Currency	As on March 31, 2013 (1) (2)	As on March 31, 2014 (1) (2)	As on March 31, 2015 (1) (2)	As on March 31, 2016 (1) (2)	As on March 31, 2017 (1) (2)	As on September 30, 2017 (1) (2)
1 US$	54.39	60.10	62.59	66.33	64.84	65.36

(1) *In case March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.*
(2) *Exchange rate is rounded off to two decimal places.*

Source: www.rbi.org.in

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from publicly available information and from the report titled "Industry Report on High Value Speciality Steel, Superalloys and Titanium Alloy Products Market in India" dated December 13, 2017 ("**Industry Report**") issued by Frost and Sullivan which includes the following disclaimer:

The market research process for this study has been undertaken through secondary / desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts. The research methodology used is the Expert Opinion Methodology. Quantitative market information was sourced via primary research as well as from trusted portals, and therefore, the information is subject to fluctuations due to possible changes in the business and market climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

This study has been prepared for "Mishra Dhatu Nigam Limited (MIDHANI)" in relation to its initial public offering in connection with its listing on the leading stock exchanges(s).

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of High Value Speciality Steel, Superalloys and Titanium Alloy Products in India within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Prospectus is reliable, it has not been independently verified by us or the BRLMs or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"Risk Factors"* on page 17.

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

In accordance with the SEBI ICDR Regulations, the *"Basis for Offer Price"* on page 74 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

NOTICE TO INVESTORS

The offer and sale of the Equity Shares has not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions. The offer and sale of the Equity Shares has not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S promulgated under the U.S. Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States and only to non-U.S. persons in reliance on Regulation S. Each purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.

European Economic Area

This Prospectus has been prepared on the basis that all offers of Equity Shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the Underwriters to produce a prospectus for such offer. None of our Company and the Underwriters has authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Underwriters which constitute the final placement of Equity Shares contemplated in this Prospectus.

FORWARD-LOOKING STATEMENTS

This 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, prospects 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 the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our 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, the following:

1. any decline or reprioritization on the focus on strategic sectors or change in policies relating to the strategic sectors in the future;

2. certain information classified as 'secret and confidential' have not been disclosed in this Prospectus or provided to the BRLMs and other intermediaries and advisors involved in the Offer;

3. non-compliance with certain provisions of the SEBI Listing Regulations and/or Companies Act, as may be applicable in relation to terms of reference of the Audit Committee and the Nomination and Remuneration Committee;

4. limited ongoing disclosure of information in relation to our Company after the listing of the Equity Shares on the Stock Exchanges pursuant to the SEBI Exemption Letters;

5. increase in the price of our raw materials and dependence on suppliers for supply of the raw materials;

6. loss of, or shutdown of, our operations at our unit in Telangana will have a material adverse effect on our business, financial condition and results of operations;

7. interruption in our production capability may require us to make significant and unanticipated capital expenditures to effect repairs;

8. limited future growth and expansion at the locations at which we operate; and

9. Any change in GoI policy could have a material adverse effect on our financial condition and results of operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 97 and 245 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.

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

Forward-looking statements reflect the current views of our Company as on the date of this 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 BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and BRLMs will ensure that the Bidders in India are informed of material developments from the date of Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

In accordance with SEBI requirements, our Company and the Selling Shareholder shall severally ensure that investors in India are informed of material developments in relation to the statements and undertakings made by them in this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If anyone or a combination of the following risks actually occurs, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition.

To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 97 and 245, respectively, contained in this Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "Forward-Looking Statements" on page 16.

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

INTERNAL RISK FACTORS

1. ***We currently supply to strategic sectors. A decline or reprioritization on the focus on strategic sectors or change in policies relating to the strategic sectors in the future will have a material adverse impact on our business, financial condition, and results of operations, growth prospects and cash flows.***

   Our Company operates in strategic sectors such as defence and space. Our primary customers, defence and space accounted for 71.56% and 22.43%, respectively of our total revenue from operations in Fiscal 2017. Although we are one of the few metallurgical plants of its kind in the world having capabilities to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems for our customers for over 30 years, and majorly have current orders from these customers, there is no guarantee that our customers will continue to place orders at the same levels as they have in the past or if at all in the future. Further, if our major customers cease to have business dealings with us or materially reduce the level or frequency of their orders from us and we are unable to secure new orders from other sources to replace such a loss or reduction, our business, financial condition, results of operations and prospects may be adversely affected.

   As on January 31, 2018, we have an order book position of ₹ 5,170 million comprising of ₹ 2,830 million for defence, ₹ 1,680 for space and ₹ 660 million for other sectors. We cannot assure you that we will be able to deliver all of our existing orders on schedule and that the order book will materialize into our revenue. Investors should not consider our order book as an accurate indicator of our future performance or future revenue.

   Most of our revenue is derived from the work performed under government contracts. While we believe that our programmes are well aligned with India's national defence and other priorities, shifts in domestic spending and tax policy, changes in security levels, defence, and intelligence priorities, general economic conditions and developments, and other factors may affect a decision to fund, or the amount of funding available to, existing or proposed defence programmes.

2. ***As a result of national securities concerns, certain information in relation to our business and operations is classified as 'secret and confidential' pursuant to which we have neither disclosed such information in this Prospectus nor provided such information to the BRLMs and other intermediaries and advisors involved in the Offer.***

   Our Company operates in strategic sectors such as defence, power and space and is engaged in manufacturing special steels, Superalloys and titanium alloys. As our Company's operations are closely linked to the Indian defence sector, a large part of the operations of our Company are classified as secret and confidential. Further, our offices are classified as a defence installation and prohibited place under section 2 of the Official Secrets Act, 1923.

   As a result of national security related concerns, the Indian Defence Services and we have determined that certain material documents and information are secret and confidential such as agreements we executed with our suppliers, customers, vendors and technical collaborators, details about the market including details of the competition, installed capacity, export capacities and export obligations, segment wise reporting, past trends and future prospects, major suppliers and customers and strategic partners.

Accordingly, pursuant to the SEBI Exemption Letter 1, our Company has been exempt from making disclosures in this Prospectus as required under Schedule VIII Part A (VIII) - clause (B)(1)(b),(c), (e), B(2), B(3), D(1)(b)(i), (iii) & (v), D(1)(d) & (f), D(5) and D(6) of the SEBI ICDR Regulations to the extent such information are confidential in nature. However, the Company shall disclose the price sensitive information contained in the agreement such as the amount of contract etc. and that such disclosure may be kept generic without disclosing details of the products/ services and the parties and information which is relevant in the opinion of the issuer, for the investor to take an informed decision shall be disclosed.

As a result, such documents and information have not been disclosed in this Prospectus, and in certain cases the disclosure contained in this Prospectus is not as detailed as that found in other public offering documents. Further, pursuant to the SEBI Exemption Letter 1, our Company has been exempt from making such confidential documents/information available for public inspection under Schedule VII, Part A (XVI) of SEBI ICDR Regulations. As a result, such documents and information may not be available for public inspection. Besides, SEBI has granted relaxation from disclosures pertaining to segment reporting in the Offer Document and in financial results.

Due to the confidential nature of such documents and information, we have been restricted from disclosing such information to the BRLMs and other intermediaries and advisors involved in the Offer. As a result, the BRLMs and other intermediaries and advisors involved in the Offer have had limited access to such documents and information and accordingly, have not been able to independently verify certain disclosures made herein. In such instances, the BRLMs and other intermediaries and advisors have relied solely on the information and confirmations given to them by our management.

As a result of the restrictions imposed on the BRLM's and other intermediaries' and advisors' access to material information, and the limitation on the disclosure of such information in this Prospectus, through the SEBI Exemption Letter 1, SEBI has granted relaxation from strict compliance with the format of due diligence certificates to be issued by the BRLMs in relation to the Offer under clauses (1), 2(a), 2(c), 11 and 12(b) of Form A (regarding due diligence certificate before opening of the Offer), clause (1) of Form C (regarding due diligence certificate at the time of registering this Prospectus with the RoC), clause 1 of Form D (regarding due diligence certificate immediately before opening of the Offer) and clause 1 of Form E (regarding due diligence certificate after opening of the Offer) of schedule VI of the SEBI ICDR Regulations. We cannot assure you that this Prospectus contains all such material information necessary for investors to make an informed investment decision, and cannot assure you that there is no omission of any material fact necessary in order to make the statements made herein.

3. ***Our Company is currently not in compliance with certain provisions of the SEBI Listing Regulations and/or Companies Act, as may be applicable in relation to terms of reference of the Audit Committee and the Nomination and Remuneration Committee.***

Pursuant to Regulation 18(3) read with Paragraph A (2) of Part C of Schedule II of SEBI Listing Regulations, provisions relating to recommendation for appointment, remuneration and terms of appointment of auditors of a listed entity, is required to be included in the terms of reference of audit committee. In accordance with section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India ("**CAG**") is required to appoint our Statutory Auditors. Accordingly, provisions relating to appointment of our Statutory Auditors are not included in the terms of reference of our Audit Committee, as required under the SEBI Listing Regulations.

Pursuant to Regulation 19(4) read with Paragraph A of Part D of Schedule II of SEBI Listing Regulations, provisions relating to (i) identification of persons who are qualified to become directors, (ii) recommending appointment and removal of directors, (iii) recommending extension of the term of independent directors, (iv) formulation of criteria for evaluation of performance of the directors, (v) devising policy on diversity of the board of directors, (vi) formulation of the criteria for determining qualifications, positive attributes and independence of a director, are required to be included in the terms of reference of nomination and remuneration committee. In our case, the power to appoint Directors on our Board is vested with the President of India, acting through the MoD, and, as a result, we do not have the power to appoint Directors on our Board. Pursuant to the SEBI exemption letter dated January 17, 2018 ("**SEBI Exemption Letter 2**"), our Company has been exempt under the SEBI ICDR Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") on the following: (a) role of Audit Committee in recommending appointment of auditors and its role in auditor remuneration under Regulation 18(3) read with Schedule II of the SEBI Listing Regulations; (b) role of nomination and remuneration committee on identifying persons as directors, recommending appointment and renewal of directors, term of directors, performance evaluation and board diversity under Regulation 19(4) and Schedule II of the SEBI Listing Regulations. Under the SEBI Exemption Letter 2, our Company has been exempted from continuous disclosure requirements under Regulation 30 of the SEBI Listing Regulations with respect to the information which are exempted from being disclosed to the extent such information are confidential in nature. In addition, under the SEBI Exemption Letter 2, our Company has been exempted from Regulation 7(1) of the SEBI

ICDR Regulations subject to the condition that all prevailing requirement of law and all listing requirements and conditions under the SEBI Listing Regulations would be complied.

Accordingly, the aforementioned matters are not included in the terms of reference of our Audit Committee and Nomination and Remuneration Committee, respectively. To this extent, we are not compliant with the SEBI Listing Regulations.

4. ***Ongoing disclosure of information in relation to our Company after the listing of the Equity Shares on the Stock Exchanges may be limited and may not be in compliance with the SEBI Listing Regulations and other applicable laws.***

Pursuant to the SEBI Exemption Letters, SEBI has granted an exemption to our Company from the continuous disclosure requirements under Regulation 30 of the SEBI Listing Regulations with respect to the information in this Prospectus which are exempted from being disclosed in this Prospectus. Therefore, prospective investors should note that disclosure of such information in relation to our Company may be limited as compared with other companies listed on the Stock Exchanges and we may not be in compliance with the terms of the SEBI Listing Regulations and other applicable laws. There can be no assurance that all information in relation to our Company that may be material to the investors will be disclosed by our Company to the Stock Exchanges.

5. ***We are exposed to the risk of increase in the price of our raw materials and dependence on suppliers for supply of the raw materials. Further, if we are unable to source quality raw materials required for our business at competitive prices, our business, results of operations and profitability may be adversely affected.***

The primary raw materials used by our Company for manufacturing our products are: (a) nickel metal to various specifications; (b) cobalt metal to various specifications; (c) various master alloys; (d) pure iron; (e) titanium sponge of various grades; (f) chromium metal to various specifications; (g) mild steel scrap/stainless steel scrap; (h) high carbon/low carbon ferro chrome; (i) aluminium metal in various forms; (j) manganese metals; and (k) different ferroalloys.

There is limited availability and supply of raw materials such as nickel and cobalt which are used by our Company for manufacturing products. Shortage in supply of the raw materials we use in our business may result in an increase in the price of the products. In past, the prices of nickel and cobalt have fluctuated drastically with the change in their global supply and demand, which has impacted our cost of procurement of these raw materials. In the event that the price of our raw materials further increase, we may not be able to pass the price increase to our customers on our existing fixed contracts and our business, financial condition and results of operations may be adversely affected.

Further, we are significantly dependent on our key suppliers and sub-contractors to provide us with critical components and raw materials, parts and assemblies that we need to manufacture our products. Certain of these suppliers may experience financial or other difficulties such as force majeure events, take over or acquisition of company by another company, changes in laws, rules, regulations, economic conditions of the suppliers and labour problems which may result in delays to our production schedules or increase in our manufacturing cost.

Our business is affected by the price, quality, availability and the timely delivery of the component parts that we use to manufacture our products. Our business, therefore, could be adversely impacted by factors affecting our suppliers (such as the destruction of our suppliers' facilities or their distribution infrastructure, work stoppage or strike by our suppliers' employees or the failure of our suppliers to provide materials of the requisite quality), by increased costs of such components or Government regulation of supplier’s country.

Depending on the severity of these difficulties, some suppliers could be forced to reduce their output, shut down their operations or file for bankruptcy protection, which could disrupt our supply of components, raw materials and parts. It may be difficult for us to find a replacement for certain suppliers without significant delay, thereby impacting our ability to complete our customer obligations in a satisfactory and timely manner.

Further we are exposed to the price volatility of some critical imported raw materials such as nickel, cobalt and tungsten from a number of countries. In the Fiscal Year 2017, our Company imported 53.66% of our total raw materials requirements and the remaining 46.34% was indigenous purchase. In view of the fluctuation in the value of the Rupee against the foreign currencies in which we pay for such imports, we face a degree of foreign exchange risk. We do not hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenue and financial condition..

6. ***Our business operation is based out of our single manufacturing unit in Telangana. The loss of, or shutdown of, our operations at our unit in Telangana will have a material adverse effect on our business, financial condition and results of operations.***

Currently, our manufacturing facility is based out of our plant in Hyderabad, Telangana. Accordingly, we rely exclusively on our facility located in Telangana to earn revenues and pay our operating expenses. Any significant interruption to, or loss or shutdown of, operations at any of our facilities would adversely affect our business. Our operations may be subject to unexpected interruptions, including from natural and man-made disasters. As a special steel and critical alloys production Company, our operations are inherently risky and we have experienced one major industrial accident including accidents in the past five years. In 2014, a contract labour met with an accident and he was paid a compensation of ₹ 890,480 by the contractor. Our facilities and operation could be adversely affected, among other factors, by breakdown or failure of equipment, difficulties or delays in obtaining spare parts and equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, raw material shortages, fire, explosion and other unexpected industrial accident and the need to comply with the directives of relevant government authorities.

Any disruption of our existing supply of basic infrastructure services such as power or water, our failure to obtain such additional supplies as required by us or an increase in the cost of such supplies may result in additional costs to us.

Any or all of these occurrences could materially and adversely affect our business, results of operations, financial condition and future prospects.

7. ***Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by, such customers could adversely affect our business, financial condition, results of operations and future prospects.***

Our products are key ingredients for strategic sectors in India. A majority of our revenue is derived from our top five customers. Sales to our top five customers contributed 64.75%, 70.29% and 65.80% of our revenues from operations during Fiscals 2017, 2016 and 2015 respectively. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Additionally, the loss of any key customer may significantly affect our revenue and we may have difficulty securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue from the loss of any of our key customers or even our top five customers.

The occurrence of any of the above may have an adverse impact on our business, financial condition, results of operations and future prospects.

8. ***The GoI has significant influence over our actions which may restrict our ability to manage our business. Any change in GoI policy could have a material adverse effect on our financial condition and results of operations.***

In accordance with our Articles of Association, the President of India, acting through the MoD, may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government owned company, as defined under the Companies Act. For instance, under our Articles of Association, our Directors are appointed by the President of India, acting through the MoD.

Further, under our Articles of Association, the President of India, acting through the MoD, may from time to time issue directions as he may consider necessary in regard to the exercise and performance of the functions of our Company in matters involving national security or substantial public interest, such influence on our Company will continue to remain after the Offer.

The GoI could, by exercising its powers of control, defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger or consolidation.

In particular, given the importance of the defence industry to the Indian economy, the GoI could require us to take actions designed to serve the public interest and not necessarily to maximise our profits. This could adversely affect our business and results of operations.

9. ***Our business is dependent on the delivery of an adequate and uninterrupted supply of infrastructure utilities at a reasonable cost and any supply insufficiency or interruption could adversely affect our business, financial condition and results of operations.***

Alloy production operations are energy intensive and we consume large amounts of energy in our operations.

To reduce the cost of power, our Company has invested in gas based power plant known as Andhra Pradesh Gas Power Corporation Limited and in process of installing 4MW solar power plant and has applied for open access systems for starting the power trading to reduce the overall cost.

To ensure the reliable supply, we have a dedicated high power electricity line from Telangana State Transmission Company for our manufacturing facilities. We have installed 132/11 KV power transformers and 132 KV switch yard for our manufacturing unit. We are also installing a second transmission line for high reliability.

However, for emergency, our manufacturing facilities are also supported by four DG sets, one with a capacity of 625 KV and three with capacities of 500 KV each, with the total aggregate capacity of 2,125 KV.

To optimise the cost of manpower, we are judiciously using outsourcing and regular manpower engaged by us.

We draw municipal water from Hyderabad Metro Water Supply and Sewage Board. The municipal water is stored in ground reservoir.

While we believe that our infrastructure facilities will be sufficient to meet majority of our existing and future requirements, there can be no assurance that we will have an adequate, uninterrupted and cost effective supply of these facilities, the lack of which could disrupt our operations, thereby adversely affecting our business, financial condition and results of operations.

10. ***There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company.***

In respect of the allotments made prior to 1982, we do not have Form 2s, the details of which are provided in "*Capital Structure - Notes to Capital Structure - Share Capital History*" on page 62. Further, there have been certain discrepancies in relation to statutory filings and records of the Company.

We have also been unable to trace the complete set of documents pertaining to corporate and secretarial records, including any supporting documents and/or RoC filings when our status changed to a deemed public company from July 01, 1983 until the status of our Company was changed to 'private limited' pursuant to the notification of the Companies (Amendment) Act, 2000 on February 27, 2001. The relevant documents are also not available at the office of the RoC, as certified by Puttaparthi Jagannatham & Co., Company Secretaries, pursuant to their certificate dated November 29, 2017. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

11. ***Any dispute, proceeding or irregularity in title to properties possessed or leased by us may adversely affect our financial condition and results of operations***

The possession of the land situated at the Hyderabad property has been transferred/ handed over to the Company under the Land Acquisition Act, 1894 and by the DRDO.

We have been in possession of this land for more than 30 years and have been paying utility bills and property taxes in the name of our Company. However, there is no sale deed executed between our Company and the authorities/organization evidencing our ownership over these properties.

Further, we do not own the land on which our other properties in New Delhi, and Kolkata are located. These properties have been taken by us on lease. Upon expiration of the lease agreement for our leased premises, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. Termination of our lease may occur for reasons beyond our control, such as breach of any terms of the lease agreement by the landlord of our premises.

Further, there may be certain deficiencies in title in relation to some of our properties. Some of the agreements may not have been duly executed and/or adequately stamped or registered in the land records of the concerned authorities.

Any disputes in respect of land title that we may become party to may take several years and expenses to resolve if they become the subject of court proceedings. Any such dispute, proceedings or irregularities may have an impact on the operation of our business.

12. ***Our ability to pay dividends in the future will depend on number of factors and the payments shall be subject to the CPSE Capital Restructuring Guidelines.***

In accordance with the CPSE Capital Restructuring Guidelines, our Company is required to pay a minimum annual dividend of 30% of its profit after tax or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with this guideline. For further details, see "*Dividend Policy*" on page 140.

Our ability to pay dividends in the future will depend on number of factors, including profits after tax for the fiscal year, utilization of the profit after tax towards reserves, or future expansion plans and capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

13. ***Our growth rate, the number of order we have received in the past and our current order book may not be indicative of our future growth rate or the number of orders we will receive in the future.***

As of January 31, 2018, our order book consisted of ₹ 5,170 million comprising of ₹ 2,830 million for defence, ₹ 1,680 for space and ₹ 660 million for other sectors. We cannot assure you that we will be able to deliver all of our existing orders on schedule and that the order book will materialize into our revenue. Investors should not consider our order book as an accurate indicator of our future performance or future revenue. Going forward, our order book may be affected by delays of the contracts as well as the long gestation period in concluding contracts, if any. Therefore, we cannot assure you that we will be able to deliver all of our existing orders on schedule and successfully turn them into our revenue. Investors should not consider our order book as an accurate indicator of our future performance or future revenue.

We have grown steadily in the last few years. On a restated basis, our total revenues grew at a CAGR of 9.23% from ₹ 5,851.89 million for Fiscal 2013 to ₹ 8,330.90 million for Fiscal 2017 and our PAT grew at a CAGR of 7.68% from ₹ 939.55 million for Fiscal 2013 to ₹ 1,263.13 million for Fiscal 2017. Our Company has earned a PAT of ₹ 273.01 million on a total revenue of ₹ 2,206.61 million for the six months period ended September 30, 2017.

We cannot assure you that we will be able to maintain our past growth rate or secure the same number of orders we have received in the past. Our past growth rate or secured orders should not be relied upon as indicators of our future growth rate or orders we will receive in the future. To the extent we experience any significant decrease in demand for our products, increase in competition or increase in prices of raw materials, equipment and components, our business, financial condition and results of operations may be materially and adversely affected. Our continued growth depends on a number of factors, many of which are beyond our control, including the impact on demand for our products resulting from the macroeconomic policies of the Indian government and governments in other countries, the level of competition in India and sectors in which we conduct business and the prices we pay for raw materials, equipment and components.

14. ***Our previous auditors have made certain qualifications in their reports with respect to our financial statements for Fiscal Years 2013 and 2014 and observations in their reports with respect to our financial statements for Fiscal Years 2016 and 2017.***

Our auditors have made certain qualifications in their reports with respect to our financial statements for Fiscal Years 2013 and 2014 and observations in their reports with respect to our financial statements for Fiscal Years 2016 and 2017:

- Fiscal Year 2013. Our previous auditors included a qualification in the audit report to the fact that recognition of the revenue in respect of dispatches to sub-contractors is not consistent with the requirement of AS-7.

- Fiscal Year 2014. Our previous auditors included a qualification in the audit report to the fact that the accounting policy of the Company is not consistent with the requirement of Accounting Standard No. 29 and observed that this has an estimated impact on profit of the Company for the current year of ₹ 67.58 million. The necessary adjustments/ rectifications for the aforementioned audit qualifications are made in the Restated Financial Statements included in this Prospectus in this regard in terms of SEBI ICDR Regulations.

- Fiscal Years 2016 and 2017. Our previous auditors drew attention to the fact that the title deeds of immovable properties are not held in the name of the Company:

Particulars	Land Details
Total number of cases	i) Factory area: 131 Acres and 34 Guntas ii) Corporate office: 8.00 Acres iii) Township area: 96 Acres and 11 Guntas iv) Under lease to DRDO and Others: 38 Acres and 39 Guntas **Total Area: 275 Acres and 5 Guntas**
Whether Free hold/ lease hold	Free hold
Gross block as on 31-03-2016	₹ 12.88 million
Net block as on	₹ 12.88 million

Particulars	Land Details
31-03-2016	
Remarks	Conveyance deed for 275 Acres and 05 Guntas of land acquired are yet to be executed in the name of the Company. Out of this 1.5 acres land is under dispute on account of unauthorized occupancy by third party.

15. ***We are subject to labour laws and our workmen are unionized under two trade unions. Labour disputes could lead to loss in production and increased costs.***

India has labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for discharge of employees and dispute resolution and imposes financial obligations on employers upon employee layoffs. As a result of stringent labour regulations, it is difficult for us to maintain flexible human resource policies, discharge employees or downsize, which may adversely affect our business, financial condition and results of operations.

As of January 31, 2018, we have 852 employees, comprising 268 executives, 71 non-unionised supervisors and 513 non-executives. Of these non-executives, 271 are skilled workers, 201 are semi-skilled and the balance of the employees consists of unskilled labour and administrative staff.

Some of our workforce is represented by two labour unions. Additional labour unrest could result due to the operative labour union within our workforce. We cannot predict how stable our union relationships will be or whether we will be able to successfully negotiate collective bargaining agreements without impacting our financial condition. In addition, the presence of unions may limit our flexibility in dealing with our workforce. Work stoppages could negatively impact our ability to manufacture our products on a timely basis, which could negatively impact our results of operations and financial condition.

16. ***The manufacturing processes for our products are complex and hazardous.***

The manufacturing processes for our products are highly complex, require technically advanced and costly equipments, and involve risks, including breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, environmental hazards and industrial accidents. In addition, defects in or malfunctioning of our products could cause severe damage to property and death or serious injury to our customers' personnel, which could expose us to litigation and damages. Although we believe that we take adequate safety measures in our operations, we cannot assure you that any accidents will not occur, resulting in death, serious injury to our personnel or destruction of property and equipment.

Individuals may be required to work under potentially dangerous circumstances in the operation of our business, which are subject to risks. Health and safety is a priority at all of our facilities. We make continuous efforts in the implementation of safety standards, monitoring of risk control and other measures to reduce and eliminate potential workplace hazards. We have a dedicated safety department. In addition, all departments are given a safety pledge. As part of our commitment to a safer work place, our Company has organised a number of workplace safety campaigns and initiatives, which include:

- Conducting hazard and operability studies for various works and expansion units;
- Organising safety promotional campaigns such as safety week celebrations in individual departments;
- National Safety Day celebrations in our Company; and
- Giving employees various incentives to work safely.

However, as a special steel and critical alloys production company, our operations are inherently hazardous and we have experienced one major industrial accident, in the past five years. In 2014, a contract labour met with an accident and he was paid a compensation of ₹ 890,480 by the contractor.

The occurrence of any of these events, or similar events, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for us, some or all of which may not be covered by insurance, as well as substantially harm our reputation. Any disruption in our operations due to any of these events or otherwise could result in litigation against us, damage to our reputation, which would adversely affect our business, financial condition and results of operations.

17. ***We do not own some of our brands and we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation***.

We operate our business under the name and brand of MIDHANI. Our logo has been registered in the name of our Company as a word mark and label under class 6 and 35. We have been issued the trademark registration certificate on May 18, 2017 in respect of advertising, business, administration, office, functions, demonstration of goods, dissemination of advertising matter publicity services, promotional services, all being in relation to special metals and alloys. We have been issued the trademark registration certificate on May 26, 2017 in respect of common metals and their alloys, design, development and equipment made out of special metals and alloy sheets. We also use the brands MDN, SUPERNI, SUPERFER, SUPERCO and TITAN which are not registered. Consequently, an infringement of such intellectual property rights may undermine our marketing efforts and result in harm to the growth of our business. Our failure to protect our intellectual property rights may also undermine our marketing efforts and result in harm to the growth of our business.

18. ***Our operating and financial performance may be adversely affected by lack of or delays in the award of long-term contracts or cancellation/modification of existing contracts.***

The long-term sustainability of our economic and financial performance depends on our ability to perform our existing contracts and to enter into new contracts. Given the nature of our customers, (e.g. the Indian Defence Services and other public administration and entities which operate in highly regulated environment) as well as the complexity and the cutting-edge technological content of the contracts, our existing contracts may be affected by disputes with customers, which may put in danger the regular performance of the obligations arising thereunder.

Furthermore, no assurances can be given that we will enter into new contracts to permit us to carry on our business or that any new contract entered will be on terms and conditions similar to those of our current contracts. The award of new contracts is subject to competition and is affected by factors outside of our control such as governmental spending decisions, new policies and administrative procedures. Any failure to secure or any delay in securing a consistent number of contracts or any interruption, suspension or termination of existing contracts may cause an insufficient workload that would adversely affect our operating and financial position.

19. ***We cannot assure you that we will be able to compete successfully against our competitors and new entrants to the industry. The proposed 100% foreign direct investment in defence services with full technology transfer may result in private companies manufacturing superalloys. If we are unable to compete effectively in any of our business segments, it may adversely affect our business, financial condition and results of operations.***

We believe that the key competitive factors affecting our business include private players in our industry in India and abroad, product quality, changes in manufacturing technology, the skill and productivity of our workforce, cash operating costs, pricing power with large buyers, access to outside funds, the degree of regulation and access to low-cost raw materials. The proposed 100% foreign direct investment in defence services with full technology transfer aims to address the need for capital investment and improved technology transfer. In the event 100% foreign direct investment in defence services with full technology transfer is permitted, our business would be adversely and materially affected on account of increased competition. Although our Company believes that we are a competitive producer, there can be no assurance that we will be able to compete effectively against our current or emerging competitors with respect to each of these key competitive factors. We compete on the basis of our ability to fulfil our contractual obligations including the timely delivery of products, our facilities' capacity and operational efficiencies and the price and quality of products we manufacture. Some of our competitors have more resources than we have and some of our competitors may have lower costs of operations, including lower costs of raw materials and manpower, than we have. In addition, some of our competitors may have competitive advantages in manufacturing certain types of products compared to us given our current facility size and other facility constraints. Our competitors, particularly those in India, from time to time, may engage in aggressive and unviable pricing and delivery schedules in order to gain market share. Further, most of our clients follow competitive bidding processes due to which we may not be able to effectively bid for future projects.

Moreover, our competitors outside India may be able to source cheaper raw materials given that indigenous ancillary industries are virtually non-existent in India and therefore we are required to import a substantial portion of our major raw materials and other equipment.

Further, due to recent liberalization policies, private companies have been allowed to manufacture Superalloys. This may lead to increased competition and there can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future or companies that are not directly in competition with us now will not compete with us in the future. Accordingly, our business, financial condition, results of operations and prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants to our industry in the future.

20. ***We are subject to compulsory expropriation by the GoI of any critical technology developed by us which may have an adverse effect on our business, financial condition and results of operations.***

The GoI as a controlling shareholder may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government owned company, as defined under the Companies Act, 2013. Further, under the Articles of Association of the Company, the President of India, acting through the MoD, may from time to time issue such direction as he may consider necessary in regard to the exercise and performance of the functions of our Company in matters involving national security or substantial public interest, and in like manner may vary and annul any such directions and our Board shall duly comply with and give immediate effect to the directions so issued.

In light of the above, the GoI may issue directives for compulsory expropriation of any critical technology developed by the Company which may be deemed necessary due to reasons of national security or substantial public interest. Any such action in respect of any of the technology in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

21. ***Our manufacturing processes depend on critical alloy making equipments any interruption in our production capability may require us to make significant and unanticipated capital expenditures to effect repairs, which could have a negative effect on our profitability and cash flows.***

Our manufacturing processes depend on critical alloy making equipments for melting, remelting and forging. Our production unit has been in service for over 35 years. As such, they may not operate on the same level of efficiency as newer production units. Continuing technological changes in the market for our products could make our products less competitive or obsolete, either generally or for particular applications. Our future success will depend upon our ability to develop and introduce a variety of new capabilities and enhancements to our existing product offerings, as well as introduce a variety of new product offerings, to address the changing needs of the strategic sectors in which we offer our products.

To be at par with the global technological progress, we place strong emphasis on technology of products, technology of process and technology of equipments. We expect to incur substantial research, design and development costs and devote significant resources to identifying and commercialising new products in accordance with the requirement of our customers. Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. We cannot assure you that we will be able to successfully implement new technologies or adapt our processing systems to customer requirements or emerging industry standards. Changes in technology and high fuel costs may make newer plants or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities.

Thus, any interruption in our production capability may require us to make significant and unanticipated capital expenditures to effect repairs, which could have a negative effect on our profitability and cash flows. A sustained disruption to our business operations could also result in a loss of customers. Any or all of these occurrences could materially and adversely affect our business, results of operations, financial condition and future prospects. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

22. ***We incur and expect to continue to incur research, design and development costs, which may not lead to satisfactory returns or to successful new products in line with changing market demand.***

The business environment in many of our principal operating segments requires extensive research, design and development expenses to keep pace with rapid technological and market changes in the strategic sectors. A major portion of our business is to cater to the upgrading of technology. Our future growth depends on adapting existing products to new requirements and introducing new products that achieve acceptance of our customers. To this extent, we incur substantial research, design and development costs. We expect to continue to spend significant funds on research, design and development in the future.

Our future growth depends on penetrating new international markets as well as remaining as a key supplier to strategic sectors, adapting existing products to new applications, and introducing new products that achieve market acceptance. We plan to incur substantial research, design and development costs as part of our efforts to design, develop and commercialise new products and enhance existing products.

Since we account for research, design and development of our own as an operating expense, these expenditures may adversely affect our earnings in the future. In any case, our research, design and development programmes may not guarantee and produce successful results, and our new products may not achieve market acceptance, create additional revenue or become profitable, which could materially harm our business, results of operations and financial condition.

In addition, since we operate in a business environment subject to rapid technological changes and products may be rendered less competitive (or, in the worst case, obsolete) if we fail to develop new technologies and products in pace with market demand and industry.

23. ***There are outstanding legal and tax proceedings involving the Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations and cash flows.***

As on the date of this Prospectus, our Company is involved in certain civil, criminal and tax (direct and indirect) proceedings, which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interest may have a significant adverse effect on our business, financial condition, results of operations and cash flows. In relation to tax proceedings, in the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of pending tax proceedings and other material litigation involving our Company is provided below:

(in ₹ million)

Type of Proceedings	Number of cases	Approximate amount to the extent quantifiable
Cases filed against our Company		
Civil Cases	6	Not quantifiable
Tax	12	853.39
Cases filed by our Company		
Criminal cases	1	Not quantifiable

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities. For further details, see "*Outstanding Litigation and Other Material Developments*" on page 267.

24. ***Our future growth and expansion is limited by our production capacities and the locations at which we operate.***

We are a low volume and high value manufacturer of products. Currently, we are a single location company. Our Company seeks growth (through both greenfield and brownfield) expansion and is based on the development of technology for customer and product. At present, our Company intends to start two new manufacturing units based in Rohtak and Nellore. Our Company has signed a memorandum of understanding for setting up a joint venture with NALCO on aluminium alloys of aluminium alloy plant at Nellore for production of high end value products. The manufacturing unit in Rohtak will be set up by the Company itself for manufacturing of armour products. Our Company is also in the process of upgrading and modernizing its existing manufacturing equipments and facilities.

In the event of any delay in setting up the manufacturing facilities, we cannot assure you that we will be able to manage the future expansion of our facilities effectively. Any failure on our part to do so will have a material adverse effect on our business, financial condition, results of operations and prospects.

25. ***We have capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive as we have expanded and upgraded our existing production facilities. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, technological changes and additional market developments. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and 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.

In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of designing, manufacturing and other work before payment is received from customers. We may be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as increased interest rates, insurance or other costs, or borrowing and lending restrictions, on commercially acceptable terms or at all, which may have a material adverse effect on our business, financial condition, prospects and results of operations. Further, our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, or have resulted, in increase in the amount of our receivables and short-term borrowings. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations.

26. ***Our MoD rating could be adversely affected by an adverse outcome of an audit by the Comptroller Auditor General of India ("CAG")***

The GoI agencies like the CAG routinely audit government public sector undertakings ("**PSU**") like us. The CAG reviews a PSU's performance under its contracts, cost structure and compliance with applicable laws, regulations and standards. The CAG also reviews the adequacy of, and a PSU's compliance with, its internal control systems and policies, including the PSU's purchasing, projects, property, estimates, labour, accounting and information systems. In some cases, audits may result in costs not being reimbursed or subject to repayment.

If an audit were to result in allegations of improper or illegal activities, we could be subject to civil or criminal penalties and administrative actions, forfeiture of profits, suspension of payments, fines, and/or any remedial action which may be taken against us under any contracts or laws. In addition, we could suffer reputational harm if allegations of impropriety were made against us.

Any downgrade in our MoD ratings may have an adverse effect on our business, cash flows, financial conditions and results of operations.

27. ***Security breaches in classified government systems could adversely affect our business.***

Many of the programs we support and systems we develop, manufacture and maintain involve managing and protecting information involved in intelligence, national security and other classified government functions. While we have programs designed to comply with relevant security laws, regulations and restrictions, a security breach in one of these systems could cause serious harm to our business, damage our reputation and prevent us from being eligible for further work on critical classified systems for the Indian Defence Services.

This could materially affect our business.

28. ***We have contingent liabilities in our balance sheet, as stated, at September 30, 2017.***

The following are the contingent liabilities in our balance sheet, as restated, as at September 30, 2017. If any of these actually occur in the future, they may adversely impact our profitability and may have a material adverse effect on our results of operations and financial condition:

(in ₹ million)

Sr. No.	Particulars	Amount as at September 30, 2017
1.	Claim against the Company not acknowledged as debt	220.12
2.	Bank Guarantees	92.64
3.	Letter of Credit outstanding	351.01
	Total	**663.77**

The contingent liabilities of our Company arise as our Company is party to certain tax litigations pending before various tribunals and our Company may also be subject to imposition of penalty by the Income Tax Department in relation to such litigations. Our Company has not made provision for such penalties as may be imposed in its contingent liabilities as the amount of penalty which may be imposed is not quantifiable.

29. ***Product liability and other customer claims could adversely affect our business, results of operations and reputation.***

Our operations expose us to potential liabilities for personal injury or death as a result of the failure or malfunction of manufacturing equipment or other products that have been designed, manufactured or serviced by us. While we believe that our product liability insurance is adequate to protect us from product liability claims, while testing and until we deliver the products to our customer base, however, it may not be adequate to cover any third party claims brought against us. Any such liability not covered by insurance or for which third party indemnification is not available could require us to dedicate a substantial portion of our cash flows to make payments on such liability, which could have a material adverse effect on our business, financial condition and results of operations.

An accident caused by our fault or negligence during testing or delivery could also damage our reputation for quality products. We believe our customer considers safety and reliability as key criteria in selecting a provider of Superalloys.

30. ***Our business is expected to become more diversified and our historical results of operations may not be indicative of our future performance. Failure to successfully implement our new business model, execute our new business strategies or develop new business may materially and adversely affect our business, financial condition, results of operations and prospects.***

As part of our growth strategy, we seek to enter into the new markets of oil and gas, mining, power, railways and chemical and fertilizers. Our Company is also making efforts to enter into export market which we believe will enable us to achieve higher revenue. We intend to diversify our product offerings to include carbon fiber, tungsten powders and armours which find use in strategic sectors.

As we do not have sufficient experience in manufacturing these new products and since our contracts typically provide for liquidated damages for late delivery, we may encounter greater risks of cost overruns and delays in delivery on these. These products are often more complex in design and more difficult to manufacture. We may be unable to spread the cost of design and research and development among similar products or have a profit margin comparable to that from other products that we manufacture. Development costs of these new products may be excessive and may adversely affect our business, financial condition and results of operations.

We expect to gain the capacity to manufacture complex products in the near future and a wider variety of other products in the long run. Even if we acquire the capacity and capability in the new segment, there is no assurance that we will secure new orders in this segment competing with overseas companies.

Our expansion within a short period of time has imposed on us new operational, management and planning demands, which are significantly different from those we encountered in operating our business and for which we may require different expertise and experience.

The implementation of these strategies depends on a number of factors including, among other things, absence of adverse changes in the Indian and global markets, the availability of funds, government policies and our ability to retain and recruit competent employees. Some of the factors are beyond our control and by nature, are subject to uncertainty.

There is no assurance that our strategies can be implemented successfully. Any failure or delay in the implementation of any or all of these strategies may have a material adverse effect on our profitability and prospects. There can be no assurances that our revenues or profits will continue to increase or that our profit margin will not significantly decrease or that we will not experience losses from our new businesses. As a result, our historical results of operations may not be indicative of our future performances.

31. ***We are subject to government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.***

Our operations are subject to government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business and for our manufacturing facility. For details of applicable regulations and approvals relating to our business and operations, see "*Regulations and Policies*" and "*Government and Other Approvals*" on page 110 and 272, respectively.

While we have obtained required approvals for our operations, certain approvals for which we have submitted applications are currently pending. In addition, we have, and may need to in the future, apply for certain additional approvals, including the renewal of approvals which may expire from time to time. For details of pending applications, see "*Government and Other Approvals*" on page 275. A majority of these approvals are granted for a limited duration and require renewal. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

32. ***We are subject to a number of procurement rules. Our business and our reputation could be adversely affected if we fail to comply with applicable rules.***

We are required to comply with and are affected by policies, rules and regulations of the MoD, in particular the DPP and its amendments/ revision from time to time relating to the award of the MoD contracts. Any violation of specific rules and regulations could harm our reputation and result in the imposition of fines and penalties, the termination of our contracts, or debarment from bidding on contracts.

The MoD and Indian Defence Services, routinely audit and review the performance of programs for which we have entered into specific contracts with them. These audits review our performance under these programs which include the review of cost structure, compliance with applicable laws, regulations of the MoD and standards of quality.

33. ***We depend on the contribution of key management personnel and senior management personnel. The loss of their services may have a material adverse effect on our business, financial condition and results of operations.***

Our success depends, to a significant extent, upon the continued service of our Key Management Personnels ("**KMPs**") and senior management personnels ("**SMPs**"). If we lose the services of any of our existing Key Management Personnel and senior management personnel without timely and suitable replacements, or are unable to attract and retain new personnel with suitable experience as we grow, our financial performance and operation may be materially and adversely affected. The loss of one or more members of our senior management team could have a material adverse effect on our business, financial condition, results of operations and prospects, as these persons may be difficult to replace.

34. ***Some of our loan agreements contain restrictive covenants. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions.***

We are subject to certain customary restrictive covenants in agreements that we have executed with our lenders for short term loan and long term borrowings. The restrictive covenants require us to seek prior intimation or consent from the respective lender for undertaking various activities, including among others, effecting any change in the capital structure of our Company or change in its shareholding pattern, alteration of the constitutional documents of our Company, change in the management or constitution of our Company or pre-payment of outstanding loans.

Further, under some of the credit facilities availed by our Company, the lenders are entitled to revoke the facility, at any stage, without providing any notice or reasons, demand the repayment of the loan anytime and modify the credit limit without any reason. Under some of the credit facilities availed by us, our lenders are entitled to terminate the credit facility in the event of any default committed by us under other loan facilities. In case we default in repayment of any of our outstanding borrowings, we may not be able to declare or issue dividend, without the approval of our lenders. The lenders may change the applicable banking policies or increase the interest rates or levy penal interest for non-compliances, if any. Inability to effectively service our borrowings, comply with or obtain waivers of applicable loan covenants, as the case may be, may adversely affect our business, results of operations and financial conditions. For further details, please see "*Financial Indebtedness*" on page 265.

35. ***If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

36. ***We design, manufacture products that incorporate advanced technologies. Many of our contracts contain performance obligations that require innovative design capabilities, are technologically complex. The introduction of new products and technologies involves risks and we may not realize the degree or timings of benefits initially anticipated.***

We design, develop and manufacture technologically advanced and innovative products applied by our customers in a variety of environments. Problems and delays in development or delivery as a result of issues with respect to design, technology, licensing and patent rights, labour, learning curve assumptions or materials and components could prevent us from achieving contractual requirements.

We seek to achieve growth through the design, development, production, sale and support of innovative products that incorporate advanced technologies. The product requirements of our customers changes and evolve regularly, and we invest substantial amounts in research and development efforts to pursue advancements in a wide range of technologies and products. If our products ramp-up efforts are delayed or if the suppliers cannot deliver on time or perform to our standards, we may not meet our customers' production schedules, which could result in material additional costs, including penalties that could be assessed under existing contractual provisions. Our ability to realize the anticipated benefits of our technological advancements depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability of supplier and internally- produced parts and materials, performance of suppliers and subcontractors, hiring and training of qualified personnel, achieving cost and production efficiencies identification of emerging technological trends in our target end markets, validation of innovative technologies, the level of customer interest in new technologies and products, and customer acceptance of our products and products that incorporate technologies we develop. These systems and end products may incorporate additional technologies manufactured by third parties and involve additional risks and uncertainties. As a result, the performance and market acceptance of these larger systems and end products could affect the level of customer interest and acceptance of our own products in the marketplace.

Any development efforts divert resources from other potential investments in our businesses, and these efforts may not lead to the development of new technologies or products on a timely basis or meet the needs of our customers as fully as competitive offerings. In addition, the markets for our products or products that incorporate our technologies may not develop or grow as we anticipate. We or our customers, suppliers or subcontractors may encounter difficulties in developing and producing new products, and may not realize the degree or timing of benefits initially anticipated or may otherwise suffer significant adverse financial consequences. Due to the design complexity of our products, we may in the future experience delays in completing the development and introduction of new products.

37. ***Unforeseen environmental costs could affect our future earnings as well as the affordability of our products.***

Environmental laws and regulations in India impose increasingly stringent environmental protection standards on us regarding, among other things, smoke or gas emissions, noise pollution, waste water discharges, the use and handling of waste or materials, waste disposal practices and the remediation of environmental contamination. These standards expose us to the risk of substantial environmental costs and liabilities, including liabilities associated with past activities. Our industrial activities are subject to obtaining permits, license and/or authorizations. Our facilities must comply with these permits, licenses or authorizations and are subject to regular administrative inspections.

Environmental law and regulation of industrial activities across the world may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental, or pollution regulations, such as the imposition of carbon taxes and other such levies, we may be required to comply with the same, which would entail us to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. Such additional costs may adversely affect our results of operations.

In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result thereof may have an adverse effect on our business, prospects and results of operations. Some environmental laws impose joint and several liability for the cost of environmental remediation, natural resource damages, third party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of wastes into the environment.

New legislation or regulations may be adopted in the future that may adversely affect our operations, our cost structure or our customers' ability to use our products. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs which could have an adverse effect on our results of operations and financial condition.

We could also be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our plants, or if the operation of any of our plants results in material contamination of the environment. We may also be the subject of public interest litigation in India relating to allegations of environmental pollution by our plants, as well as cases having potential criminal and civil liability filed by state pollution control authorities. If such cases are determined against us, there could be an adverse effect on our business, operations and financial condition.

38. ***Disruptions in supply and transport could affect our business adversely and materially.***

The production of our products is dependent on a steady supply of various inputs. These imported raw materials are transported to our plants by sea, air and land, and our products are transported to our customers by land. Transport of our inputs and finished products is subject to various bottlenecks and other hazards beyond our control, including poor road and other transport infrastructure, accidents, adverse weather conditions, strikes and civil unrest. An increase in the price of transportation or interruptions in transportation of our inputs or finished products could have a material adverse effect on our business, financial condition and results of operations. The occurrence of natural disasters may also impair the conditions of the railway and highway infrastructure to the point of making them unavailable. Any transportation problems that occur could have a material adverse effect on our business, results of operations and financial condition. At times we have encountered disruption to the supply and transportation of inputs. Any such disruptions may occur in the future as a result of the above factors and such disruptions may affect our business adversely and materially.

39. ***Our Company has unsecured loans that may be recalled by the lenders at any time.***

Our Company availed an unsecured loan from VSSC and IndusInd Bank which is currently outstanding and may be recalled by VSSC and IndusInd Bank, respectively at any time. The outstanding amount of the said unsecured loan from VSSC and IndusInd Bank as at January 31, 2018 is ₹ 17.84 million and ₹ 450 million. In the event that VSSC and/or IndusInd Bank seek a repayment of such loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, we may not have adequate working capital to undertake new projects or complete our ongoing projects. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, see "*Financial Indebtedness*" on page 265.

40. ***If our customers choose to import the products which we manufacture and supply, our sales could be adversely affected.***

Our products are key ingredients for strategic sectors in India. Our customers can choose to import the products which are manufactured by us and lead to affect our revenue. Accordingly, our business, financial condition, results of operations and prospects would be adversely and materially affected.

41. ***The average cost of acquisition of Equity Shares by our Promoter, may be less than the Offer Price.***

The average cost of acquisition of Equity Shares by our Promoter is ₹ 10 each. We cannot assure you that the Offer Price as decided in the Offer will be less than the average cost of acquisition of Equity Shares of our Promoter.

42. ***Our operating and financial performance may be harmed as a consequence of breaches of our contractual commitments.***

The timely and satisfactory execution of our contractual commitments depends upon numerous factors including our ability to develop the technologies necessary to provide, directly or through third parties, the products required by our customers.

Failure by us to deliver the products we are obliged to deliver, in a timely manner or at all, or any fault in contract execution (including as a result of delays or breaches by our suppliers), may lead to higher costs or penalties. This may negatively affect our operating and financial performance. For example, some of our contracts provide for liquidated damages in the event that we are unable to perform and deliver in accordance with the contractual schedule.

43. ***Our Company will not receive any proceeds from the Offer for Sale. Our Promoter is the Selling Shareholder and will receive the entire proceeds from the Offer for Sale.***

This Offer is an Offer for Sale of upto 48,708,400 Equity Shares by our Promoter. The entire proceeds from the Offer for Sale will be paid to our Promoter and our Company will not receive any such proceeds and will not result in any creation of value for us or in respect of your investment in our Company.

44. ***This Prospectus contains information from the Frost & Sullivan Report which has been commissioned by us. Investors should not place undue reliance on the information derived from the Frost & Sullivan Report.***

The Company commissioned the Frost & Sullivan Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has independently verified data from industry publications and other third party sources and therefore cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other countries. Therefore, discussions of matters relating to India and its economy in this Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable. Generally industry reports and data disclaims the accuracy, adequacy or completeness of industry information provided and further disclaims any responsibility for any errors or omissions in the information provided or for the results obtained from the use of such industry information. Further, such industry information is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions considered in the Industry Information are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Further, the industry information is not a recommendation to invest / disinvest in our Company. Further, generally industry reports and data disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offer who uses or relies upon the industry information or extracts there from. Prospective investors are advised not to unduly rely on the industry information when making their investment decisions. In addition, internal company reports have not been verified by independent sources and may be incomplete or unreliable.

EXTERNAL RISK FACTORS

Risks relating to India

45. ***The GoI has implemented a new national tax regime by imposing GST. We are unable to quantify the impact of this development at this stage due to limited information available in the public domain. If we are taxed at a higher rate than the current tax rates, our financial conditions and results of operations may be adversely affected.***

The GoI has implemented a comprehensive national goods and services tax ("**GST**") regime that combines taxes and levies by the Central and State Governments into a unified rate structure. Further, any disagreements between certain state governments may also create further uncertainty towards the implementation of the GST. Any such future increase or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

46. ***Significant difference exists between Indian GAAP and other accounting principles, such as US GAAP, Indian Accounting Standards and IFRS, which may be material to investors' assessments of our financial condition.***

We have not attempted to quantify the impact of US GAAP, Indian Accounting Standards or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP, Indian Accounting Standards or IFRS. US GAAP, Indian Accounting Standards or IFRS differ in significant respects from the Indian GAAP. Accordingly, the degree to which Indian GAAP financial statements which are restated as per SEBI ICDR Regulations included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. For further details, see "*Summary of Significant Differences between Indian GAAP and Indian Accounting Standards*" on page 244.

47. ***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 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, cash flows and results of operations.

48. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.***

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

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions required acquisition of shares, voting rights, assets or control or merger or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

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

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

Our business, results of operations and cash flows could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to our business and operations.

There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements and conditions on our business and operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on our business, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also affect our results of operations and cash flows. See "*Regulations and Policies*" on page 110 for details of the laws, rules and regulations currently applicable to us.

The regulatory and policy changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

Further, the Government has announced the union budget for the financial year 2019 and the Finance Bill, 2018 has been tabled before the Parliament which has proposed various amendments. For example, it includes a proposal to withdraw an exemption previously granted in respect of payment of long term capital gains tax. Accordingly, such tax may become payable by the investors from April 1, 2018. However, the Finance Act has not yet been passed by the Parliament. As such, there is no certainty on the impacts that the Finance Bill, 2018 may have on our business and operations or on the industry in which we operate.

Further, the General Anti Avoidance Rules ("**GAAR**") are proposed to be effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefits among 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 impact on us.

50. ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and almost all our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operation are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any exchange rate fluctuations;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- Changes in India's tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Occurrence of natural or man-made disasters;
- Prevailing regional or global economic conditions, including in India's principal export markets;
- Any downgrading of India's debt rating by a domestic or international rating agency;
- Financial instability in financial markets; and
- Other significant regulatory or economic developments in or affecting India or its defence sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the India economy, could adversely impact our business, results of operations and financial condition and price of the Equity Shares.

51. ***Natural disasters, acts of war, political unrest, epidemics or other events which are beyond our control, may cause damage, loss or disruption to our business and have an adverse impact on our business, financial condition, results of operations and growth prospects.***

We generally bear the risk of loss of raw materials or equipment's and components in transit after our suppliers supply to us. We may face the risk of damage to our properties, machinery and inventories due to natural disasters, such as earthquakes, typhoons and flooding. Acts of war, political unrest and epidemics may also cause damage or disruption to us, our employees, or facilities and our markets, any of which could materially and adversely affect our sales, costs, overall operating results and financial condition. The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot predict.

In addition, certain Asian countries, including Hong Kong, China, Singapore and Thailand, have encountered epidemics such as severe acute respiratory syndrome, or SARS and incidents of avian influenza, or H5N1 bird flu. Past occurrences of epidemics have caused different degrees of damage to the national and local economies in India. A recurrence of an outbreak of SARS, avian influenza or any other similar epidemic could cause a slowdown in the levels of economic activity generally, which may adversely affect our business, financial condition and results of operations. In the event any loss exceeds our insurance coverage or is not covered by our insurance policies, we will bear the shortfall. In such an event, our business, financial condition and results of operations could be materially and adversely affected.

52. ***Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and could have a material adverse effect on our business, financial condition and results of operations and the price of our Equity Shares.***

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets in which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately adversely affect our business. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares and the equity markets in general.

India has experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our business may be adversely affected. The Asian region has from time to time experienced instances of civil unrest and hostilities. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, such as the attacks in Mumbai in November 2008 and July 2011, as well as other acts of violence or war could influence the Indian economy by creating a greater perception that investments in India involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

Risks Relating to the Offer Shares

53. ***Any future issuance of our Equity Shares may dilute your shareholdings and sales of our Equity Shares may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of the Offer, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could impair the future ability of our Company to raise capital through offerings of our Equity Shares. We also cannot predict the effect, if any, that the sale of our Equity Shares or the availability of these Equity Shares for the future sale will have on the market price of our Equity Shares.

54. ***Foreign investors are subject to foreign investment restrictions under Indian law, which may adversely affect the market price of our Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of equity shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with *inter alia*, the pricing guidelines, sectoral caps and reporting requirements specified by the RBI. If the transfer of equity shares is not in compliance with such pricing guidelines, sectoral caps or reporting requirements, or falls under any of the prescribed exceptions, prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of equity shares in India into foreign currency and repatriate any such foreign currency from India will require a no-objection/ tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any governmental agency can be obtained in a timely manner or on any particular terms or at all. Owing to possible delays in obtaining requisite approvals, investors in our Equity

Shares may be prevented from realizing gains during period of price increase or limiting their losses during periods of price decline.

55. ***You will not be able to immediately sell any of our Equity Shares you purchase in the Offer on an Indian Stock Exchange.***

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investor book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Allotment is approved by the designated stock exchange. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within six working days from the date of the Bid/Offer closure.

We cannot assure you that the Equity Shares will be credited to investors' demat account, or that trading in the Equity Shares will commence, within the time periods specified above.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of our Equity Shares are generally taxable in India. In accordance with the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax becoming payable in the hands of the investors. 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 our Equity Shares.

57. ***GoI will continue to control us post listing of our Equity Shares***

Upon the completion of this Offer, the GoI will hold approximately 138,631,600 Equity Shares, or approximately 74% of our post-Offer paid up capital. Consequently, the President of India, acting through the MoD, will continue to control us and will have the power to elect and remove our directors and determine the outcome of most proposals for corporate action requiring approval of our Board or shareholders, such a proposed five year plans, revenue budgets, capital expenditure, dividend policy, transactions with other GoI controlled companies. Under the Companies Act, this will continue to be a public sector undertaking which is owned and controlled by the President of India, acting through the MoD. This may affect the decision making process in certain business and strategic decisions taken by our Company going forward.

58. ***The interests of the GoI as our controlling shareholder may conflict with your interests as shareholders.***

Under our Articles of Association, the President of India, acting through the MoD, by virtue of holding a majority of our Equity Share capital may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government company, as defined under the Companies Act. The interest of the President of India, acting through the MoD, may be different from our interests or the interests of other shareholders. As a result, the President of India, acting through the MoD, may take actions with respect to our business and the businesses of our peers and competitors that may not be in our or our other shareholders' best interests. The President of India, acting through the MoD, could by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another public sector undertaking.

59. ***Announcements by the GoI or the relevant state governments relating to increased wages for government and public sector employees will increase our expenses and may adversely affect our financial condition in the years of implementation.***

The DPE has required government enterprises to implement salary increases for executive employees at board level, below board level executives and non-unionized supervisor within the guidelines set by the DPE. These governmental measures increase our labour costs and the next pay revision for non-unionized officers and employees was due w.e.f. January 1, 2017. Our Company has received a letter dated December 12, 2017 from the Department of Defence Production approving revision of pay scales, allowances and perquisites for board level and below board level executives and non-unionised supervisors. Any further announcements made by the GoI relating to increased wages for government and public sector employees will increase our expenses and may adversely affect our operating results and financial condition.

60. ***Conditions in and volatility of the Indian securities market may affect the price or liquidity of our Equity Shares.***

The Indian securities market is smaller than the securities markets in more developed economies. Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have often experienced period of significant volatility in the last three years. The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the United States of America. Therefore, any change in the conditions and volatility of the Indian securities market may affect the price or liquidity of our Equity Shares.

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

Our Company is incorporated under the laws of India. Our Directors and Key Management Personnels are residents of India and our assets are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained from courts outside India. India has reciprocal recognition and enforcements of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the UK, Singapore and Hong Kong. The United States of America has not been declared as a reciprocating territory for the purposes of the Code of Civil Procedure, 1908 ("**Civil Code**") and thus a judgment of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India, based on a final judgment that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis, or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgment.

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

Indian legal principles related to corporate procedures, director's 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 jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction.

Prominent Notes:

- Initial public offering of 48,708,400 Equity Shares through an Offer for Sale by the Selling Shareholder, for cash at a price of ₹ 90 per Equity Share (less Retail Discount and Employee Discount, as applicable) aggregating to ₹ ₹ 4,328.96 million. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer of 46,835,000 constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.

- The Offer was made through the Book Building Process, wherein 50% of the Net Offer was made available for allocation, on a proportionate basis to QIBs. 5% of the QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids received at or above the Offer Price.

- The net worth of our Company as at September 30, 2017 was ₹ 7,334.33 million and as of March 31, 2017 was ₹ 7,043.44 million. The net asset value per Equity Share as at September 30, 2017 was ₹ 39.15 and as at March 31, 2017 was ₹ 37.60. See "Financial Statements" on page 141.

- The average cost of acquisition of Equity Shares by our Promoter is ₹ 10 per Equity Share. See "*Capital Structure*" on page 65.

- There has been no financing arrangement whereby the Directors and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the RHP.

- For details of the related party transactions including cumulative value of transactions entered into by our Company, see "*Related Party Transactions*" on page 139.

- Our Company was converted into a 'public limited company' with effect from November 13, 2017 and consequently a fresh certificate of incorporation was issued by the RoC.

- Investors may contact any of the Book Running Lead Managers who have submitted the due diligence certificate to the SEBI for any complaints, information or clarification pertaining to the Offer. For details regarding grievances in relation to the Offer, see "*General Information*" on page 54.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Unless noted otherwise, the information in this section has been obtained or derived from the "Industry Report on High Value Speciality Steel, Superalloys and titanium Alloy Products Market in India" of December 13, 2017, by Frost and Sullivan (the "F&S Report"). All information contained in the F&S Report has been obtained by F&S from sources believed by it to be accurate and reliable. Although reasonable care has been taken by F&S to ensure that the information in the F&S Report is true, such information is provided 'as is' without any warranty of any kind, and F&S in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and F&S shall not be liable for any losses incurred by users from any use of this publication or its contents. Neither our Company, nor the BRLMs or 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 believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information. The information contained in this section should be read in conjunction with the sections "Industry Overview", "Our Business" and "Risk Factors" beginning on pages 78, 97 and 17 respectively.

GLOBAL OVERVIEW OF HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS

Market Overview for High Value Speciality Steel

High value speciality steels are premium alloy steel grades that are used across major industries such as automotive, industrial components, aerospace, defence, oil & gas etc., mainly as functional components that are subjected to high temperature, stress and corrosive environment. As per World's Steel Association, the global finished steel consumption is estimated to be 1,515 million tonnes, of which commercial high value speciality steel products account to around 5% in 2016. High value speciality steel grades are broadly classified as Nickel alloy, armor grade steel and other speciality stainless steel grades.

Market Overview for Superalloys

Superalloys are speciality products that have superior resistance towards corrosion and oxidation at high temperature (around 600^{o}C) with extended lifespan in higher stress conditions. Frost & Sullivan observed the global demand for superalloy products to be around 425,000 MT, with major consumption in countries such as US, Germany, France, Italy, UK, Russia and Spain.

Market Overview for Titanium Alloys

Titanium metal is known for its high strength to low weight ratio, making it an ideal material for aircrafts manufacturing, including fighter aircrafts. Other key end user segments where titanium finds application are bio medical implants, and exhaust systems in high end automobiles. Frost & Sullivan observed global production of titanium to be around 200,000 MT in 2016, with China and USA leading in global production. Titanium alloys occupying a healthy 13% of total aerospace raw material demand through the year 2020 globally, will fuel the demand growth for titanium alloy products during the next five years.

The United States is the largest supplier of high value speciality Steel, superalloy and titanium alloy products in the global market. The US has high defence budgets and large internal demand for aerospace and defence products. Majority of the global suppliers of high value speciality steel, superalloy and titanium alloy are based in the US due to large end users being based out of the country. These suppliers also have strong export orders. Other key countries for the supply of selected products are UK, Japan, Italy, Germany, France, Russia and China.

MARKET SEGMENTATION: HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS IN INDIA

Speciality steel accounts for 9% of global steel production. The speciality steel market is accounted by niche alloys such as Ni (0.2% of total market demand for speciality steel), speciality alloy (<2%), stainless steel – longs (4%), bearings (5%), stainless steel – flats (20%), and other alloy steel (69%).

They are being used across all major end user applications that require reduced weight, high strength and toughness and high corrosion and oxidation resistance. Despite high cost when compared to conventional steel and alloy grades, the select products are preferred for high end applications where efficiency and precision is of prime importance.

High value speciality steel, Superalloys and titanium alloy products account for less than one % of the global steel market. These products are essentially low volume-high value products. In India, these products are mainly supplied by Mishra Dhatu

Nigam Limited ("**MIDHANI**") headquartered in Hyderabad. MIDHANI has emerged as a 'National Centre for Excellence' in advanced metallurgical production of special metals and Superalloys in India. MIDHANI is a GoI Enterprise, and is one of the few metallurgical plants of its kind in the world specialized in manufacturing wide range of special purpose steel and superalloy products mainly catering to aerospace, defence, atomics, space, energy and other industries that require high precision. MIDHANI is a key supplier, and its products are mainly used in high end engineering applications that require precision and high efficiency to withstand stress, temperature and corrosive atmosphere. With constant developments made over the years in various operational areas, and by utilizing in-house research and development capabilities, MIDHANI has indigenized various critical technologies, alloys and products. This reduced dependence on imports of various critical materials. MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programmes of national importance.

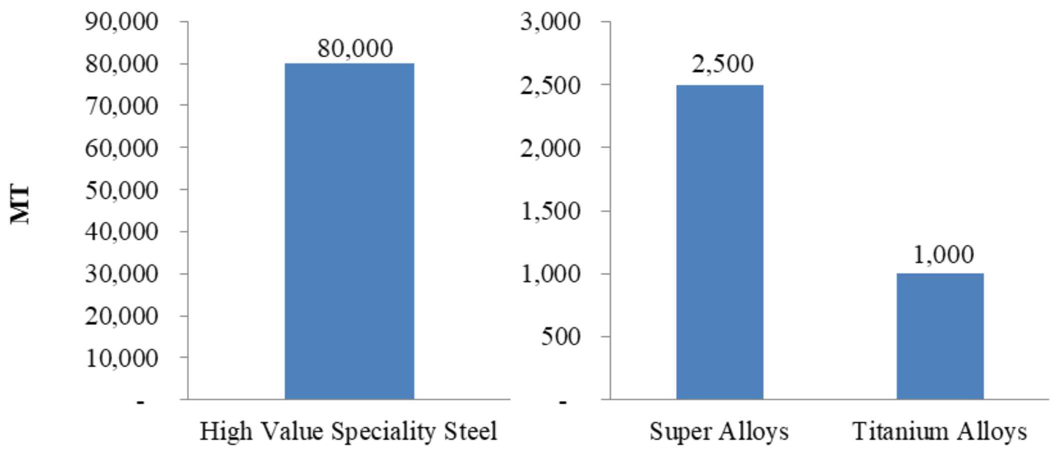
MARKET OVERVIEW: HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS

Market Overview: India

As per Frost & Sullivan analysis, the demand for the high value speciality steel, superalloy and titanium alloy is observed to be around 83,500 MT during 2016. The market for the select products has grown at a steady growth of around 5.8% during 2011-2016.

The key end user segments that consume the selected products are aerospace, defence, automotive and energy sector that includes oil and gas and petrochemical segments. Aerospace and defence had the maximum demand contribution with over 70% of the overall demand for high value speciality, Superalloys and titanium alloy products during 2016. The growth in speciality material is mainly due to major investments in aerospace, defence and other industrial sectors in India.

Market Size Estimates for High Value Speciality Steel Market India, 2016, MT



Source: Frost & Sullivan analysis

High value speciality steel grades have the highest demand among the select product category with over 80% demand contribution in 2016. The cumulative demand for high value speciality steel, superalloy and titanium is expected to witness a minimum growth of around 6.5% during 2016-2021, owing to the proposed investment plans of end user segments.

Key Market Drivers for High Value Speciality Steel, Superalloys and Titanium Alloy Products

Aerospace:

- The Indian aviation sector is likely to see investments of around USD 15 billion during 2016-2020 of which USD 10 billion is expected to come from the private sector. This investment includes addition of 300 business jets, 300 small aircraft and 250 helicopters to the existing fleet of Indian carriers, which in turn will fuel the demand for high value speciality steel, Superalloys and titanium alloys.

- India is rapidly building capabilities to emerge as a preferred destination for Indian maintenance, repair and overhaul ("**MRO**") for aviation. India's current MRO market size is estimated to be around USD 750 million. The market is expected to grow at 7% CAGR to reach over USD 1.5 billion by 2020.

- The Indian space program spearheaded by the ISRO is engaged in developments of its future space science missions like Chandrayaan-2 and Aditya-L1, amongst expanding many of its current projects.

Defence:

- With the increase in asymmetric warfare, the requirement and allocation for Defence in the Union Budget 2016-17 is approximate USD 34.53 billion. With more than 31.1% of its total defence budget on capital acquisitions, this will increase the demand for armored grade steel and other speciality steel for defence equipment.

- India is expected to emerge as the third-biggest country in terms of defence-related expenditure from its current (eighth) position by 2020, especially through indigenously designed, developed and manufactured ("**IDDM**") '*Make in India'* initiative to encourage domestic manufacturers to produce high value speciality steel and superalloy grades and supply them to defence and aerospace.

- Indian defence sector acquiring newer technologies in missiles, ammunition, warships and other military equipment like unmanned aerial vehicles ("**UAVs"**) will boost the demand for select product type and grades during the next four years.

Other Major End User Segments:

- As per Automotive Mission Plan 2016-2026 ("**AMP**"), Indian auto component industries could attain an impressive USD 200 billion in revenue by 2026, with exports of USD 80 billion. Contribution of auto component Industry in India's GDP will account to as much as 5-7% by 2026.

- Oil & gas (includes petrochemical & refinery): contributes over 6% of the overall demand for speciality steel and superalloy products for process equipment, process pipe and piping systems, and boilers. As per the 12th Five Year Plan, oil production would increase to 844 MTOE by 2021-22, with an investment of around USD 43.69 billion across the value chain that will help the demand for select products to grow at around 5% for oil and gas sector.

- The Indian auto component industry is expected to achieve USD 200 billion in revenue by 2026, with exports of USD 80 billion. Contribution of auto component industry in India's GDP will account to as much as 5% to 7% by 2026.

- As India grows its stance as an industrial and knowledge economy, energy demand will grow to 1,509 MTOE in 2030, double the current demand. India will need to import nearly 1/3rd of its demand in 2030. India will also turn to renewable sources, and its generation could become a formalized part of the grid which will fuel the demand for high value speciality steel, Superalloys and titanium alloy products.

- The chemical industry is an integral component of the Indian economy and has the potential to grow at 9% per annum to reach USD 214 billion by 2019. The pulp and paper industry is growing at a healthy rate of around 6.8% during 2014-16 and is expected to continue at the same rate fueling the demand for PH grade stainless steel products.

Key Growth Restraints for High Value Speciality Steel, Superalloys and Titanium Alloy Products

- Production occurs on order basis in small batches; manufacturers carry risks relating to cancelled orders due to unexpected failures occurring with end users.

- Continuous technological upgradation and intermittent domestic demand for the select products makes production planning, inventory management and lead time extremely challenging.

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

As a result of national security related concerns, certain material information in relation to our business and operations has been classified as 'confidential' by the MoD and us. Pursuant to the SEBI Exemption Letters, we have not (i) disclosed such information in this Prospectus; or (ii) provided such information to the BRLMs, the legal counsels and other intermediaries involved in this Offer. We cannot assure you that this Prospectus contains all such material information necessary for investors to make an informed investment decision. For further information, see "Risk Factors" on page 17.

Overview

We are one of the leading manufacturers of special steels, Superalloys and only manufacturer of titanium alloys in India. These are high value products which cater to niche end user segments such as defence, space and power. Our Company was established in the year 1973, with an aim of achieving self-reliance in the research, development and supply of critical alloys and products of national security and strategic importance. We have emerged as a 'National Centre for Excellence' in advanced metallurgical production of special metals and Superalloys in India. We have the technological ability to manufacture a wide range of advanced metals and alloys under one roof. With the growth of our business and operations, we have achieved the status of a Mini Ratna, Category-I company in 2009.

We are one of the few metallurgical plants of its kind in the world, designed to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems. Our Company manufactures unique combinations of metal and alloys. These special alloys have superior mechanical properties and better workability which are essential for special applications in aerospace, power generation, nuclear, defence and other general engineering industries. Our products are key ingredients for strategic sectors in India, which typically cannot be imported from other countries due to its national security related concerns.

We manufacture special steels like martensitic steel, ultra high strength steel, austenitic steel and precipitation hardening steel. We manufacture three varieties of Superalloys – nickel base, iron base and cobalt base. We also manufacture varieties of titanium alloys. Most of the orders executed by our Company are in the nature of an import substitute. We have the competence of developing and manufacturing customised alloys tailor-made to suit the specific requirements of customers for their critical applications. Presently, we conduct our operations at our manufacturing facility in Hyderabad. We are in the process of setting up two new manufacturing facilities in Rohtak and Nellore. We have several certifications including the ISO 9001:2008 – Quality Management System and AS 9100 C for manufacturing and supply of metals and alloy products. We have our research and development laboratory which is accredited to National Accreditation Board for Testing and Calibration Laboratories.

With the constant developments made over the years in various operational areas, by utilizing in-house research and development capabilities, our Company indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials. Our Company has been handling challenging developmental tasks, taking a lead position in indigenisation of critical technologies and products to render support to several programmes of national importance.

We have highly qualified and experienced management. Our Chairman and Managing Director is highly experienced in the field of metallurgy with an experience of over 35 years. For further details, see "*Our Management*" on page 119 of this Prospectus. He received the National Metallurgist Award, 2016 in recognition of his outstanding leadership foresightedness and contributions to the growth of steel industry. For further details of awards we have received, see "*History and Certain Corporate Matters – Awards and Recognition*" on page 115.

Our Company has continuously posted profits in the last five Fiscals. On a restated basis, our total revenues grew at a CAGR of 9.23% from ₹ 5,851.89 million for Fiscal 2013 to ₹ 8,330.90 million for Fiscal 2017 and our PAT grew at a CAGR of 7.68% from ₹ 939.55 million for Fiscal 2013 to ₹ 1263.13 million for Fiscal 2017. Our Company has earned a PAT of ₹ 273.01 million on a total revenue of ₹ 2,206.61 million for the six months period ended September 30, 2017.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Most advanced and unique facilities

Our Company is the only facility in India to carry out vacuum based melting and refining through world class vacuum melting furnace such as vacuum induction melting, vacuum arc remelting, vacuum degassing/ vacuum oxygen decarburisation, electro slag remelting and electron- beam melting. It enables our Company to venture new markets with innovative and advanced products.

Our Company has successfully produced Hafnium metal having vital application in the space sector for the first time in the country using state of the art electron beam melting furnace. Also, we have manufactured large nickel superalloy based casting through air induction melting route.

Thus the wide spectrum of advanced melting facilities enables us with the flexibility to provide our customers with high quality products which meet their stringent quality requirements.

Capability to manufacture wide range of advanced products

We are a manufacturer of special steels and stainless steels, Superalloys (nickel base, iron base and cobalt base), commercially pure titanium and titanium alloys, soft magnetic alloys, controlled expansion alloys, heat resistance alloys, special purpose alloys, refractory metals and other alloys in different shapes, properties and sizes.

We have process capabilities across the product manufacturing value chain, including melting, forging, rolling, wire drawing, investment casting, machining and quality testing. We are a modern and integrated metallurgical plant for manufacturing a wide spectrum of critical alloys in variety of forms such as ingots, forged bars, rings hot rolled sheets and bars, cold rolled sheets, strips and foils, wires, castings, fasteners and tubes using state of the art production facilities for defence, space, aeronautics, power and thermal power, electronics, tele-communications and engineering industries and other sectors in India. We monitor all our processes, right from the receipt of raw materials, manufacturing to packaging of products. In addition, we also use high quality/pure form of raw materials to manufacture alloys. This helps us to ensure high quality of our manufactured products and control our production costs. Our variety based capacities also allow us to service customer requirements in a timely and efficient process with the flexibility to produce different ranges of customised products to our customers. Our Company is in a unique position to leverage both economies of scale and scope as we are capable of processing different alloys. Some of the alloys that we manufacture have properties higher than international standards to meet specific requirements of our customers.

Our wide range of products and ability to meet the specific customer needs enable us to successfully service core strategic sectors such as defence, nuclear/ power and aerospace.

Strong long term customer relationships

We have a strong and an established relationship with our customers. We have partnered with many of our key customers in the product development process, enabling our products to meet the exact specifications provided by the customers and to ensure repeat orders. Our relationships with our major customers, especially in core strategic sectors, have existed for more than three decades. Our Company undertakes an in house survey for customer satisfaction. The results of customer satisfaction index during 2012 to 2015 is more than 3.5 on the scale of 1 to 5.

Going forward, we believe that there is likely to be an increase in demand for special metals and alloys on account of government initiatives such as Make in India that will boost defence production and heavy equipment manufacturing in India, which will indirectly lead to an increase in demand of our products. We intend to continue to leverage these long standing relationships and continue to grow our business operations in line with these expectations.

Our focus on quality is exemplified through the ISO 9001:2008, AS 9100C and NABL certifications that we have obtained with respect to our manufacturing processes. Our Company is committed to enhancement of customer satisfaction by continually improving the effectiveness of quality management system to drive organisational performance. We believe that completing our customer’s projects in a timely manner whilst upholding the highest standards of quality, is the most effective manner in which we can develop and maintain strong relationship with our customers. We intend to strive to exceed client expectations during every stage of the project life cycle. This, coupled with our flexibility in setting prices for our products, is a significant advantage to our business. The trust of our customers is manifested through customer funded capital investments at our Company. As on September 30, 2017, customer funded assets constitute ₹ 660 million out of the total gross block of our Company of ₹ 3,653.94 million.

Research and development based technology development

Our business requires us to keep abreast with the latest developments in related fields of science and technology. To be at par with the global technological progress, we place strong emphasis on technology of products, technology of process and technology of equipment. Our in-house research and development team works towards improvement of product quality and processes innovation. For instance, our Company has reused titanium scrap to make ferro titanium for Indian market. We have manufactured the adour engine disc through isothermal forging process for aerospace sector under Make in India programme. We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes.

We have an in-house research and development team comprising of 14 officers who have in-depth knowledge of the design and engineering of special metals and alloys. Our in-house research and development team works towards improvement of product quality and processes innovation for meeting the expected demands at acceptable costs. We outsource technological knowledge from various countries. We have a dedicated technology advisory board which guides us to the required technology for the development of new products. We believe that we have developed strong product design capabilities, which allows us to service our customers more effectively and in a timely manner. In 2016, we have established a new melt shop with electric arc furnace, ladle refining furnace, vacuum degassing facility, new ring rolling mill and higher capacity forge press apart from echo system of making value added products like tubes, fasteners, etc. We have in-house metallurgical laboratories to cater to the testing required for our products. Given the strategic and sensitive nature of our customers' operations, it is vital for us to ensure delivery of high quality products to our customers. Being a manufacturer of advanced metals and alloys, we undertake extensive quality control tests of our products as well as of the raw materials to ensure only products of desired quality are supplied to them.

We have received several awards. For further details of the awards received from our customers, please see *"Our Business – Awards and Recognition" on page 107*.

Highly Qualified and Experienced Management and Management Systems

We are led by a management team and staff with employees who have significant experience. Through their commitment and experience, our management team has grown our business in India. We have a strong metallurgical team of key employees having the ability to utilise the metallurgical knowledge. For further details about the experience and qualification of our management, please see *"Our Management" on page 118.*

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have therefore been focussed on the recruitment, training and retention of a highly skilled employee base. As of January 31, 2018 we have 852 employees. Our enterprise resource planning and IT enabled systems (procurement, human resources and standalone IT enabled systems) has helped us to develop and adopt new technologies, maintain high productivity and ensure path dependent learning.

Our Key Strategies

The key elements of our strategy are as follows:

Growth and modernisation

Our Company seeks growth (through both greenfield and brownfield) and is based on the development of technology for customer and product. Some of our new projects planned in the next three years include: (a) proposal for construction of spring manufacturing plant for manufacture and supply of helical compression springs for supply to the Railways; and (b) development of aero quality carbon fibers.

We also aim for geographical expansion of our Company and to operate from multiple locations. At present, our Company intends to start two new manufacturing units based in Rohtak and Nellore. Our Company has signed a memorandum of understanding for setting up a joint venture with NALCO for production of high end value aluminium alloys products at Nellore. The manufacturing unit in Rohtak will be set up by the Company itself for manufacturing of armour products. Our Company is also in the process of upgrading and modernizing its existing manufacturing equipments and facilities.

We seek to enter into the new markets of oil and gas, mining, power, railways and chemical and fertilizers. Our Company is also making efforts to enter into export market which we believe will enable us to achieve higher targets.

Increased focus on research and development

We believe that innovation in our production processes coupled with enhanced efficiency and utilisation of resources is the key to reduce production costs. We intend to leverage our design, engineering and manufacturing capabilities to increase our focus on advanced technology products. We have entered into collaborations with Indian and international research institutions and organisations to gain access to the required know-how for developing certain key advanced technology products. We will continue to pursue newer collaborations which allow us to add to our product portfolio. We also intend to focus on new process based technologies such as closed–die forgings, investment castings, isothermal forging and using special alloys to further improve our existing products and add new products to our product portfolio. Such new products include carbon fiber, tungsten powders and armours which find use in strategic sectors.

Our Company aims for forward and backward integration by manufacturing components/ value added products. In terms of forward integration, we manufacture special electrodes from the wires manufactured by us, as well as special fasteners from the materials manufactured in- house in the Company's manufacturing unit. With respect to backward integration, our Company has undertaken projects such as powder production, metal alloys powders and recovery of metals from scrap.

Strengthen our human capital

Our human capital contributes significantly to our business operations and we believe that our employees and workers are our invaluable asset essential for our success. We rely upon them to operate our modern equipment, undertake various complex tasks at our manufacturing facilities and uphold industry-leading quality standards whilst catering to our customers' orders in a timely manner. As we build our human resource systems and processes, we intend to continue to focus on improving health, safety and environment for our employees and provide various programs and benefits for their wellbeing and skill-enhancement. We have undertaken following steps to motivate talent in our Company:

- Dr. Tamhankar's trophy for young managers below 35 years for encouraging new ideas.
- Employee suggestion scheme.
- Best employee of the year award in each category executive, non-unionised supervisor, worker and woman.

The value added per employee in the last five years has seen a growth from ₹ 3.7 million in Fiscal 2013 to ₹ 7.2 million in Fiscal 2017.

We intend to develop entrepreneurship skills and further strengthen our workforce through more comprehensive training programs, creating a core of skilled workers for our future growth by providing them with a conducive, safer and healthier working environment. Our Company, as a signatory to the United Nations Global Compact ("**UNGC**"), is committed to the UNGC's ten principles in the areas of human rights, labor, environment and anti-corruption.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Restated Financial Statements. These Financial Statements have been prepared in accordance with Indian GAAP and Ind As, applicable provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations, and are presented in "*Financial Statements*" on page 141.

The Summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto as included in "*Financial Statements*" on page 141 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 245.

Restated Summary Statement of Assets and Liabilities

(In ₹ million)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
ASSETS:				
Non-current assets				
Property, Plant and Equipment	3,236.48	3,264.39	2,614.63	2,423.36
Capital work-in-progress	542.41	62.05	66.90	94.41
Intangible assets	6.60	9.38	14.94	19.44
Financial Assets				
(i) Investments	21.01	21.01	21.01	21.01
(ii) Loans	0.04	0.04	0.07	0.12
Non-current tax assets (Net)	390.12	293.41	637.11	534.05
Other non-current assets	157.07	93.71	16.64	33.13
Total Non-Current Assets	**4,353.73**	**3,743.99**	**3,371.30**	**3,125.52**
Current assets:				
Inventories	2,507.95	2,060.42	2,885.45	4,230.15
Financial Assets				
(i) Trade receivables	2,222.58	2,885.30	2,090.54	2,200.80
(ii) Cash and cash equivalents	2,605.25	2,079.26	1,958.62	894.04
(iii) Other financial assets	135.01	116.81	122.08	135.96
Other current assets	474.36	124.59	780.50	1,044.16
Total Current Assets	**7,945.15**	**7,266.38**	**7,837.19**	**8,505.11**
Total Assets	**12,298.88**	**11,010.37**	**11,208.49**	**11,630.63**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	1,873.40	1,873.40	1,873.40	1,873.40
Other Equity	5,460.93	5,170.04	4,323.30	3,527.18
Total Equity	**7,334.33**	**7,043.44**	**6,196.70**	**5,400.58**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	8.28	12.36	90.15	133.40
(ii) Other Financial Liabilities	468.83	173.37	164.55	142.22
Provisions	7.57	7.57	6.64	5.65
Deferred tax liabilities (net)	243.89	204.41	226.48	127.44
Other non-current liabilities	1,108.67	1,089.08	1,474.78	1,293.98
Total Non-current liabilities	**1,837.24**	**1,486.79**	**1,962.60**	**1,702.69**
Current Liabilities				
Financial liabilities				
(i) Borrowings	646.99	125.51	0.01	414.77
(ii) Trade payables	904.36	660.31	529.51	951.72
(iii) Other financial liabilities	578.39	576.42	472.45	767.74
Other current liabilities	754.13	830.87	1,442.35	1,931.47

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
Provisions	243.44	287.03	604.87	461.66
Total Current Liabilities	**3,127.31**	**2,480.14**	**3,049.19**	**4,527.36**
Total Equity and Liabilities	**12,298.88**	**11,010.37**	**11,208.49**	**11,630.63**

Restated Summary Statement of Profit and Loss

(In ₹ million)

Particulars	Six Months ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 (Proforma)
Revenue From Operations	2,080.63	8,097.07	7,614.49	6,557.01
Other Income	125.98	233.83	289.99	226.86
Total Income	**2,206.61**	**8,330.90**	**7,904.48**	**6,783.87**
Expenses				
Cost of material consumed	442.20	1,938.28	2,449.05	2,119.56
Excise Duty	43.69	364.26	449.46	83.25
Change in inventories of finished goods, work-in-progress and stock-in-trade	(303.88)	776.41	379.66	73.31
Employee benefits expense	492.11	1,092.85	907.35	988.52
Finance Costs	15.16	46.76	41.86	70.43
Depreciation and amortization expense	93.67	176.64	140.65	97.87
Other expenses	954.16	2,072.17	1,918.00	1,943.46
Total Expenses	**1,737.11**	**6,467.37**	**6,286.03**	**5,376.39**
Profit / (Loss) before exceptional items and tax	**469.50**	**1,863.53**	**1,618.45**	**1,407.48**
Exceptional Items				
Profit / (Loss) before tax	**469.50**	**1,863.53**	**1,618.45**	**1,407.48**
Tax expense				
Current Tax	157.01	620.63	380.80	304.86
Earlier Year Tax	-	1.84	(13.39)	3.18
MAT Credit Entitlement			(21.66)	(20.04)
Deferred Tax	39.48	(22.07)	79.00	83.23
Profit / (Loss) for the period	**273.01**	**1,263.13**	**1,193.70**	**1,036.25**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	27.34	14.97	8.00	24.41
(ii) Income tax relating to items that will not be reclassified to profit or loss	(9.46)	(5.18)	(2.77)	(8.45)
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
Other comprehensive income for the year net of tax	**17.88**	**9.79**	**5.23**	**15.96**
Total Comprehensive Income for the period	**290.89**	**1,272.92**	**1,198.93**	**1,052.21**
(Comprising Profit/(Loss) and Other Comprehensive Income for the period)				
Earning per equity share (Amount in ₹)				
Basic and Diluted EPS (₹)	1.46	6.74	6.37	5.53
Face value of share (₹)	10.00	10.00	10.00	10.00
Weighted average number of shares (Nos.)	18,73,40,000	18,73,40,000	18,73,40,000	18,73,40,000

Restated Summary Statement of Cash Flows

(In ₹ million)

Particulars	Six Months ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 (Proforma)
Cash flows from operating activities				
Profit/(loss) for the year (before tax)	496.84	1,878.50	1,626.45	1,431.89
Adjustments for:				
Depreciation expense	93.67	176.64	140.65	97.87
Finance costs	15.16	46.76	41.86	70.43
Interest income	(92.92)	(172.68)	(108.15)	(105.82)
Profit / Loss on sale of Fixed Assets	0.20	0.24	(0.02)	(0.64)
	512.95	**1,929.46**	**1,700.79**	**1,493.73**
Working capital adjustments:				
(Increase) decrease in inventories	(447.53)	825.03	1,344.70	297.72
(Increase) decrease in trade receivables and loans	662.72	(794.73)	110.31	1,313.32
(Increase) decrease in other financial assets	(18.20)	5.27	13.88	70.08
(Increase) decrease in other non-current assets	(63.36)	(77.07)	16.49	(19.23)
(Increase) decrease in other current assets	(349.77)	655.91	263.66	(358.95)
Increase (decrease) in trade payables	244.05	130.80	(422.21)	(17.64)
Increase (decrease) in other financial liabilities	297.43	112.79	(272.96)	188.80
Increase (decrease) in provisions	(43.59)	6.41	93.97	13.56
Increase (decrease) in non-current liabilities	19.59	(385.70)	180.80	(1,162.16)
Increase (decrease) in other current liabilities	(76.74)	(611.48)	(489.12)	(965.69)
Cash generated from operating activities	737.55	1,796.69	2,540.31	853.54
Income tax paid (net)	(263.18)	(607.27)	(381.31)	(382.18)
Net cash from operating activities (A)	**474.37**	**1,189.42**	**2,159.00**	**471.36**
Cash flow from investing activities				
Acquisition of property, plant and equipment	(543.33)	(815.99)	(299.91)	(311.39)
Profit / Loss on sale of Fixed Assets	(0.20)	(0.24)	0.02	0.64
Interest received	92.92	172.68	108.15	105.82
Investment in fixed deposits	(848.87)	(4.95)	(874.98)	110.00
Net cash from investing activities (B)	(1,299.48)	(648.50)	(1,066.72)	(94.93)
Cash flows from financing activities				
Repayment of borrowings	517.40	47.71	(458.01)	87.91
Dividend on shares	-	(426.18)	(402.81)	(446.36)
Interest paid	(15.16)	(46.76)	(41.86)	(70.43)
Net cash flow from (used in) financing activities (C)	502.24	(425.23)	(902.68)	(428.88)
Net decrease in cash and cash equivalents (A+B+C)	(322.87)	115.69	189.60	(52.45)
Cash and cash equivalents at 1 April	339.33	223.64	34.04	86.49
Cash and cash equivalents at 31 March	**16.45**	**339.33**	**223.64**	**34.04**
Reconciliation of cash and cash equivalents as per the balance sheet				
Cash and cash equivalents as per the cash flow statement	16.45	339.33	223.64	34.04
Other bank balances not considered above				
- Bank deposits with maturity more than 3 months	2,588.80	1,739.93	1,734.98	860.00
	2,605.25	**2,079.26**	**1,958.62**	**894.04**

Restated Summary Statement of Assets and Liabilities

(In ₹ million)

Particulars	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	1,873.40	1,873.40
Reserves and Surplus	2,533.32	1,999.09
Share application money pending allotment	0.00	0.00
Non-Current Liabilities		
Long-term borrowings	181.75	135.84
Deferred tax liabilities (net)	64.26	3.25
Other long term liabilities	2,114.00	3,775.72
Long term provisions	4.93	149.18
Current liabilities		
Short-term borrowings	278.51	563.50
Trade payables	969.36	742.81
Other current liabilities	2,815.06	2,791.68
Short term provisions	2,601.16	2,295.63
	13,435.74	**14,330.10**
ASSETS		
Non-current assets		
Fixed assets		
- Tangible assets	1,129.57	651.78
- Intangible assets	25.21	29.96
- Capital work in progress	1,179.26	1,350.24
Non-Current investments	21.01	21.01
Long term loans and advances	13.90	28.70
Other non-current assets	0.14	0.62
Current assets		
Inventories	4,527.87	5,440.72
Trade receivables	2,368.71	2,673.81
Cash and Bank Balances	1,056.49	1,729.82
Short term loan and advances	3,039.92	2,271.41
Other current assets	73.67	132.03
	13,435.74	**14,330.10**

Restated Summary of Statement of Profit and Loss

(In ₹ million)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue:		
Revenue from operations	6,352.83	5,653.33
Other income	209.35	198.57
Total Revenue	**6,562.17**	**5,851.89**
Expenses		
Cost of materials consumed	1,960.76	1,773.85
Change in inventory of finished goods, work-in-progress and stock- in trade	515.91	212.25
Employee benefits & expenses	966.36	963.67
Finance costs	41.94	68.43
Depreciation and amortisation expense	60.38	51.61
Other expenses	1,701.16	1489.95
Total expenses	**5,246.51**	**4,559.76**
Profit / (Loss) before exceptional and extraordinary items and tax	**1,315.66**	**1,292.13**
Exceptional items	-	-
Profit / (Loss) before extraordinary items and tax	**1,315.66**	**1,292.13**
Extraordinary items	(26.26)	-
Profit / (Loss) before tax	**1,341.92**	**1,292.13**
Tax expense		
1. Current Tax	361.48	391.82
2. Earlier Year Tax	(55.74)	(37.11)
3. Deferred Tax	61.01	(2.13)
Profit / (Loss) for the period from continuing operations	**975.17**	**939.55**
Profit / (Loss) from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit / (Loss) from discontinuing operations after tax	-	-
Profit / (Loss) for the period	**975.17**	**939.55**
Earning per equity share (Amount in ₹)		
- Basic	5.21	5.02
- Diluted	-	-

Restated Summary Statement of Cash Flows

(In ₹ million)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,341.92	1,292.13
Adjustment to reconcile net income to net	(195.16)	(309.53)
cash providing by operating activities		
Depreciation	61.75	52.13

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Interest Paid	41.94	68.43
Interest Received	(109.22)	(179.62)
Write back of provisions	-	-
Profit/Loss on fixed assets	-	-
Write Offs	216.87	147.66
Exchange Rate Variation	(0.64)	1.20
Provision for Doubtful debts / Advances/ Modvat /		
Non-moving stores / spares	(122.07)	39.98
Sub-Total	(106.53)	(179.75)
Operating Profit before Working Capital Changes	**1,235.39**	1,112.39
Adjustment for Changes in Assets and Liabilities		
(Increase) / Decrease in Trade Receivables	237.51	(1,321.52)
(Increase) / Decrease in Inventories	301.38	(1,007.09)
(Increase) / Decrease in Other Current Assets	(453.61)	(284.54)
Increase / (Decrease) in Trade Payables & Other Liabilities	(717.54)	4,141.29
Increase / (Decrease) in Bank Borrowings	(239.08)	(427.94)
Sub-Total	**(871.34)**	1,100.20
Cash Generated from Operations before Adj. from Other Assets	**364.05**	2,212.59
Adjustment for Other Assets	-	-
Sub-Total		
Cash Generated from Operations	**364.05**	2,212.59
Direct Tax Paid	(383.90)	(357.10)
Sub-Total	**(383.90)**	(357.10)
Net Cash provided by Operating Activities (a)	**(19.85)**	1,855.49
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(349.14)	(1,213.68)
Proceeds from Sale of Fixed Assets	-	
Interest Received	169.15	79.01
Net Cash provided (used in) by Investing Activities (b)	**(179.99)**	(1,134.67)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(41.94)	(68.43)
Dividend Paid	(374.68)	(366.68)
Tax on Dividend Paid	(56.88)	(59.49)
Share capital/Share application money increase/decrease		
Net Cash provided by Financing Activities (c)	**(473.50)**	(494.60)
Abstract		
Net Cash provided by Operating Activities (a)	**(19.85)**	1,855.49
Net Cash provided (used in) by Investing Activities (b)	**(179.99)**	(1,134.67)
Net Cash provided by Financing Activities (c)	**(473.50)**	(494.60)
Net Increase/(decrease) in cash & cash equivalent during the year	**(673.34)**	226.21
Cash and Cash equivalent at the beginning of the year	**1,729.96**	1,503.75
Cash and Cash equivalent at the end of the year	**1,056.63**	1,729.96
	(673.34)	226.21
Components of Cash and Cash equivalents as at	**31st March 2014**	**31st March 2013**
	(₹ in million)	**(₹ in million)**
Cash on Hand	**0.51**	**0.28**
With Post Office Savings Bank Account	**0.14**	**0.14**
With Scheduled Banks		
- in Current Account	**85.98**	**39.54**
- in Fixed Deposit	**970.00**	**1,690.00**
TOTAL	**1,056.63**	**1,729.96**

THE OFFER

The following table summarises the Offer details:

Offer of Equity Shares(1)(2)*	48,708,400 Equity Shares aggregating to ₹ 4,328.96 million(4)**
of which:	
Employee Reservation Portion(3)(4)(5)	1,873,400 Equity Shares aggregating to ₹ 162.99 million
Net Offer to the Public	46,835,000 Equity Shares
of which:	
A. QIB Portion	Not more than 23,417,500 Equity Shares
Of which:	
Available for allocation to Mutual Fund only (5% of the QIB Portion)	1,170,875 Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	22,246,625 Equity Shares
B. Non-Institutional Portion(4)	Not less than 7,025,250 Equity Shares
C. Retail Portion(4)(5)	Not less than 16,392,250 Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	187,340,000 Equity Shares
Equity Shares outstanding after the Offer	187,340,000 Equity Shares
Use of proceeds of this Offer	As the Offer is an offer for sale of the Offered Shares, our Company will not receive any proceeds from the Offer. See *"Objects of the Offer"* on page 70.

* *Subject to finalisation of Basis of Allottment.*

** *The Offer size has been calculated at the Offer Price of ₹ 90 per Equity Share including a Retail Discount and Employee Discount of ₹ 3 per Equity Share and on the assumption that the entire Retail Portion as well as Employee Reservation Portion is fully subscribed.*

(1) *The Cabinet Committee on Economic Affairs (CCEA) has by its press release dated April 12, 2017 approved the listing of certain CPSEs on the Stock Exchanges including our Company through public offer of shares. The Offer has been authorised pursuant to the resolution passed by our Board at its meeting held on December 14, 2017.*

(2) *The Selling Shareholder, through its letter bearing file number 23(60)/2015/D(NS-1) dated January 9, 2018, conveyed the approval granted by the GoI for the Offer. The Selling Shareholder confirms that the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the RHP with the SEBI, and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation.*

(3) *The Selling Shareholder, through its letter bearing file number 23(60)/2015/D(NS-1) dated March 5, 2018, conveyed the consent for inclusion of 48,708,400 Equity Shares of our Company held by the President of India, acting through the MoD as part of the Offer for Sale. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer will constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.*

(4) *Eligible Employees Bidding in the Employee Reservation Portion can Bid upto 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 upto ₹ 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, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹ 500,000. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. 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 Selling Shareholder and our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. 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. For further details, see "Offer Structure" on page 294.*

(5) *The Selling Shareholder and our Company, in consultation with the BRLMs, offered a discount of upto ₹ 3 on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, was advertised in all newspapers wherein the Pre-Offer Advertisement was published. Retail Individual Bidders and Eligible Employees Bidding at ₹ 200,000 (excluding Employee Discount). For further details, see "Offer Procedure" on page 298.*

Allocation to Bidders in all categories, except the Retail Portion, was made on a proportionate basis. For further details, see "*Offer Structure*" and "*Offer Procedure*" on page 294 and page 298, respectively.

GENERAL INFORMATION

Our Company was incorporated as Mishra Dhatu Nigam Private Limited on November 20, 1973 under applicable provisions of the Companies Act, 1956, with the RoC. Being a Government Company the word 'private' was deleted from the name of our Company by the RoC on June 15, 1974 by virtue of General Statutory Rules ("**GSR**") No. 1234 dated December 30, 1958 issued by the Central Government. The status of our Company was changed from 'private limited company' to 'deemed public limited company' under the provision of section 43A of the Companies Act, 1956 with effect from July 01, 1983.

Thereafter, the status of our Company was again changed to 'private limited' pursuant to the notification of the Companies (Amendment) Act, 2000 on February 27, 2001 and the word 'private' was not inserted in the certificate of incorporation by virtue of the above said GSR. Our Company was converted into a 'public limited company' with effect from November 13, 2017 and a fresh certificate of incorporation consequent upon conversion to public limited company was issued by the RoC. For furthe details, see *"History and Certain Corporate Matters" on page 114.*

Registered and Corporate Office

P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India
Tel: +91-40-24184000
Fax: +91-40-24340214 / 24341250
Website: www.midhani.com
Email: secretary@midhani.com
Corporate Identity Number: U14292TG1973GOI001660
Registration Number: 001660

Address of the Registrar of Companies

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

Registrar of Companies

Andhra Pradesh and Telangana
2nd Floor, Corporate Bhawan,
GSI Post, Tattiannaram Nagole, Bandlaguda,
Hyderabad - 500 068, Telangana, India
Tel: +91-40-29805427/29803827/29801927
Fax: +91-40-29803727

Board of Directors

The Board of Directors of our Company comprises the following as on the date of this Prospectus:

Name & Designation	DIN	Address
Dr. Dinesh Kumar Likhi *Chairman and Managing Director*	03552634	Plot No. 59, H. No. 3-B/59, Nakshatra Colony, Balapur Road, Hyderabad – 500 005, India
Sanjeev Singhal *Director (Finance) and Chief Financial Officer*	07642358	House No. 6-3-562/15/1, Flat No. 102, Anandita Apartments Erramanzil, Somajiguda, Hyderabad – 500 082, India
Sanjay Kumar Jha *Director (Production and Marketing)*	07533036	2-2-647/77/G -19, Flat No:- 302, Sai Parvath, SBI Colony, Bagh Amberpet Hyderabad - 500 013, Telangana, India
Indraganty Venkateswara Sarma *Independent Director*	02144740	B-3, 604, White House 15th Cross, 6th Main, R. T. Nagar, Bangalore - 560 032, Karnataka, India
Dr. Jyoti Mukhopadhyay *Independent Director*	02224647	Housing Block No. 29, Apartment No. 202, Indian Institute of Technology, Palaj, Gandhinagar – 382 355, Gujarat, India
Dr. Usha Ramachandra *Independent Director*	02831588	12A College Park, ASCI Staff Quarters Road NO.3, Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India
Surendra Sinh *Independent Director*	07960634	Plot No 172/2, Barkhedi Khurd Road, behind National Law Institute University, Mendori, Bhopal-462 044, Madhya Pradesh, India

For further details of our Board of Directors, see "*Our Management*" on page 118.

Director (Finance) and Chief Financial Officer

Sanjeev Singhal, our whole time Director, is designated as the Director (Finance) and also the Chief Financial Officer of our Company. His contact details are as follows:

P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India
Tel: +91-040-24184519
Fax: +91-040-24340280
E-mail: df@midhani.com

Company Secretary and Compliance Officer

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

P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India
Tel: +91-040-24340853
Fax: +91-040-24340214
Email: secretary@midhani.com

Investors Grievances

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

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

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

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

Book Running Lead Managers

SBI Capital Market Limited
202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
E-mail: midhani.ipo@sbicaps.com
Investor grievance e-mail: investor.relations@sbicaps.com
Contact Person: Janardhan Wagle
Website: www.sbicaps.com
SEBI Registration No.: INM000003531

IDBI Capital Markets & Securities Limited
3rd Floor, Mafatlal Centre,
Nariman Point, Mumbai – 400 021
Maharashtra, India
Tel.: +91 22 4322 1212
Fax: +91 22 2285 0785
E-mail: ipo.midhani@idbicapital.com
Investor grievance e-mail: redressal@idbicapital.com
Contact Person: Sumit Singh
Website: www.idbicapital.com
SEBI Registration No.: INM000010866

Syndicate Member

SBICAP Securities Limited
Marathon Futurex, A&B Wing, 12th Floor,
N M Joshi Marg, Lower Parel, Mumbai-400 013
Maharashtra, India

Tel.: +91 22 4227 3300
Fax: +91 22 42283390
E-mail: Archana.dedhia@sbicapsec.com
Contact Person: Archana Dedhia
Website: www.sbismart.com
SEBI Registration No.: BSE INB011053031 & NSE INB231052938

Registrar to the Offer

Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi - 110055, India
Tel: +91 11-4254 1234; 2354 1234
Fax: +91 11 4154 3474
Email: midhani_ipo@alankit.com
Investor grievance email: midhani_igr@alankit.com
Contact Person: Pankaj Goenka/Bojiman kh
Website: www.alankit.com
SEBI Registration No: INR000002532

Domestic Legal Counsel to our Company and the Selling Shareholder

SNG & Partners
One Bazar Lane, Bengali Market,
New Delhi – 110001, India
Tel: +91-11-43582000
Fax: +91-11-43582033

International Legal Counsel to our Company and the Selling Shareholder

Perkins Coie LLP
500 N Akard Street, Suite 3300 Dallas, TX 7521, USA
Tel: +1-214-965-7700
Fax: +1-214-965-7785

Domestic Legal Counsel to the Book Running Lead Managers

Cyril Amarchand Mangaldas
4th floor, Prius Platinum, D-3, District Centre,
Saket, New Delhi – 110017, India
Tel: +91 11 6622 9000
Fax: +91 11 6622 9009

Statutory Auditors of our Company

M/s. Basha & Narasimhan
Chartered Accountants
H. No. 6-3-609/79,
Opposite to Anand Nagar Colony Community Hall,
Anand Nagar Colony,
Khairatabad, Hyderabad - 500 004,
Telangana, India
Tel: +91 402330 2008
Fax: Not Available
E-mail: bncachn@gmail.com/bnca@rediffmail.com
ICAI Firm Registration No.: 006031S
Peer Review Certificate No.: **008429**

Bankers to our Company

State Bank of India	**Andhra Bank**	**HDFC Bank Limited**
Chandrayanagutta, Hyderabad - 500 058, Telangana, India **Tel**: +91 40 24341546 **Fax**: Not available **E-mail**: sbi.03026@sbi.co.in **Website**: www.sbi.co.in	BDL Campus Branch, Kanchanbagh, Hyderabad - 500 058, Telangana, India **Tel**: +91 40 24346071, +91 40 24346052, +91 40 24346053 **Fax**: +91 40 24346071 **E-mail**: bm1045@andhrabank.co.in **Website**: www.andhrabank.co.in	Emerging Corporate Group, 7th Floor, Roxona, Palladium, Banjara Hills Road No.1, Hyderabad - 500 034, Telangana, India **Tel**: +91 40 30091371 **Fax**: +91 40 30472565 **Email**:srinivas.k@hdfcbank.com **Website**: www.hdfcbank.com

Bankers to the Offer and/ or Escrow Collection Banks and Refund Banks

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21,
Infinity Park, Off Western Express Highway,
General AK Vaidya Marg, Malad (E),
Mumbai- 400 097, Maharashtra, India
Tel.: +91 22 6605 6588
Fax: +91 22 6713 2416
E-mail: cmsipo@kotak.com
Contact Person: Prashant Sawant
Website: www.kotak.com
SEBI Registration No.: INBI00000927

Indian Overseas Bank
763, Anna Salai,
Chennai- 600 002,
Tamil Nadu, India
Tel.: +91 22 2851 9548
E-mail: mbd@iobnet.co.in
Contact Person: P Jayakumar/ A. Nagappan
Website: www.iob.in
SEBI Registration No.: INBI00000044

Designated Intermediaries

Self-Certified Syndicate Banks

In relation to Bids submitted to a member of the Syndicate, the list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time. For list of branches of the SCSBs named by the respective SCSBs to collect the ASBA Forms please refer to the above-mentioned link.

Registered Brokers

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

RTAs

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

Collecting Depository Participants

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

IPO grading

No credit rating agency, registered with SEBI has been appointed in respect of obtaining grading for the Offer.

***Inter se* allocation of responsibilities**

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

Sr. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus including a memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	BRLMs	SBI Capital Markets Limited
2.	Drafting and approval of all statutory advertisement	BRLMs	SBI Capital Markets Limited
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	BRLMs	IDBI Capital Markets & Securities Limited
4.	Appointment of Intermediaries - Registrar to the Issue, Advertising Agency, Printers and Banker(s) to the Issue and coordinating with them for execution of their respective agreements.	BRLMs	IDBI Capital Markets & Securities Limited
5.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	BRLMs	IDBI Capital Markets & Securities Limited
6.	Domestic Institutional marketing of the Issue, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	BRLMs	SBI Capital Markets Limited
7.	International Institutional marketing of the Issue, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	BRLMs	IDBI Capital Markets & Securities Limited
8.	Non-institutional and Retail marketing of the Issue which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Issue material including form, the Prospectus and deciding on the quantum of the Issue	BRLMs	IDBI Capital Markets & Securities Limited

Sr. No.	Activity	Responsibility	Coordinator
	material; and • Finalising collection centres		
9.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading, payment of STT on behalf of Selling Shareholder, co-ordination with the designated Stock-Exchange for payment of 1% security deposit.	BRLMs	IDBI Capital Markets & Securities Limited
10.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	SBI Capital Markets Limited
11.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment based on technical rejections, listing of instruments, demat credit, refunds/ unblocking of funds, release of 1% security deposit, handling of investor grievances for redressal, media compliance report and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs, including responsibility for execution of underwriting arrangements, as applicable, filing media compliance report	BRLMs	IDBI Capital Markets & Securities Limited

Even if any of these activities are being handled by other intermediaries, the BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

As this is an Offer of Equity Shares, the requirement of credit rating is not applicable.

Experts

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

Our Company has received written consent from the Statutory Auditors, namely, M/s. Basha & Narasimhan, who hold a valid peer review certificate, to include its name as required under section 26(1)(a)(v) of the Companies Act in this Prospectus and as an “Auditor” or “Statutory Auditor” and “expert” as defined under section 2(38) of the Companies Act in respect of their examination report dated February 6, 2018 on the Restated Financial Statements as of and for six months ended September 30, 2017 and the Fiscals 2017, 2016, 2015, 2014 and 2013 and the statement of tax benefits dated November 30, 2017, included in this Prospectus and such consents have not been withdrawn as on the date of this Prospectus.

Trustees

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

Appraising Entities

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

Monitoring Agency

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

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 this Prospectus and the Bid cum Application Forms within the Price Band, which was decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and which was notified in all editions of English national daily newspaper Financial Express, all editions of Hindi national daily newspaper Jansatta and in Hyderabad edition of Telugu daily newspaper Navatelangana, (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation at least five Working Days prior to the Bid / Offer Opening Date. The Offer Price has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

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

All Bidders could participate in the Offer only through the ASBA process

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors Bidding in the Non-Institutional Portion were not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid / Offer Closing Date

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. The Selling Shareholder confirms it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, to the portion of the Equity Shares offered by it in the Offer for Sale

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

For further details, see *"Offer Structure" and "Offer Procedure"* on pages 294 and 298, respectively. For an illustration of the Book Building Process and the price discovery process, see *"Offer Procedure – Part B – Basis of Allocation"* on page 309.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after this 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.

Withdrawal of the Offer

For details in relation to refund on withdrawal of the Offer, see "*Terms of the Offer – Withdrawal of the Offer*" on page 291.

Underwriting Agreement

Our Company and the Selling Shareholder entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of such Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Member do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein. The Underwriting Agreement is dated March 26, 2018, and has been approved by our Board of Directors / committee thereof and the Selling Shareholder.

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

(In ₹ million)

Name, address, telephone, fax, and email of the Underwriters	Indicated number of Equity Shares to be Underwritten	Amount Underwritten*
SBI Capital Market Limited **Address:** 202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005, Maharashtra, India. **Telephone:** +91 22 2217 8300 **Facsimile:** +91 22 2217 8332 **Email:** midhani.ipo@sbicaps.com	2,43,54,100	2,164.47
SBICAP Securities Limited **Address:** Marathon Futurex, A&B Wing, 12th Floor, N.M. Joshi Marg, Lower Parel Mumbai 400 013 Telephone: +91 22 4227 3300 Facsimile: +91 22 4228 3390 E-mail: archana.dedhia@sbicapsec.com	100	0.01
IDBI Capital Markets & Securities Limited **(Formerly known as IDBI Capital Market Services Limited)** **Address:** 3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021, Maharashtra, India **Telephone:** +91 22 4322 1212 Facsimile: +91 22 2285 0785 Email: ipo.midhani@idbicapital.com	2,43,54,200	2,164.48
TOTAL	**4,87,08,400**	**4,328.96**

**Computed at the Offer Price of ₹ 90 per Equity Share, net of Retail Discount and Employee Discount.*

In the opinion of our Board of directors and the Selling Shareholder (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

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

CAPITAL STRUCTURE

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

(in ₹ , except share data)

Details	Aggregate nominal value	Aggregate value at Offer Price#
A. Authorised Share Capital[a]		
200,000,000 Equity Shares of the face value ₹ 10[b] each	2,000,000,000	-
B. Issued, subscribed and paid up Equity Share capital before the Offer		
187,340,000 Equity Shares of the face value ₹ 10 each	1,873,400,000	-
C. Present Offer in terms of this Prospectus[c][d]		
which consists of:		
Offer for Sale of 48,708,400 Equity Shares by the Selling Shareholder of the face value ₹ 10 each	487,084,000	4,328,959,050
Of which:		
Employee Reservation Portion upto 1,873,400 Equity Shares of the face value ₹ 10 each	18,734,000	162,985,800
D. Net Offer to the Public		
46,835,000 Equity Shares of the face value ₹ 10 each	468,350,000	4,165,973,250
E. Issued, subscribed and paid up Equity Share capital after the Offer		
187,340,000 Equity Shares of the face value ₹ 10 each	1,873,400,000	
F. Securities Premium Account		
Before the Offer (as on September 30, 2017)	NIL	
After the Offer	NIL	

#Subject to finalisation of the Basis of Allotment assuming that the entire Retail Portion as well as the Employee Reservation Portion is fully subscribed.

(a) For details on changes in authorized share capital of our Company, see "History and Certain Corporate Matters" on page 114.

(b) The face value of Equity Share has been sub-divided from ₹ 1,000 (Rupees One Thousand only) into ₹ 10 (Rupees Ten only) pursuant to the resolution passed by the Shareholders in their meeting held on October 27, 2017.

(c) The Cabinet Committee on Economic Affairs (CCEA) has by its press release dated April 12, 2017 approved the listing of certain CPSEs on the Stock Exchanges including our Company through public offer of shares. Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on November 17, 2017. The Selling Shareholder, through its letter bearing file number 23(60)/2015/D(NS-1) dated January 9, 2018, conveyed the approval granted by the GoI for the Offer. The President of India, acting through the MoD has approved the Offer for Sale of 48,708,400 Equity Shares of our Company vide its letter bearing file number 23(60)/2015/D(NS-1) dated March 5, 2018. The Equity Shares under the Offer have been held by the Selling Shareholder for a period of at least one year prior to the filing of the Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation.

(d) The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.

Notes to the Capital Structure:

Equity Share capital history of our Company:

Date of Allotment/date when fully paid up	Number of Equity Shares	Face Value ** (₹)	Offer price per Equity Share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Equity Share Capital (₹)
November 28, 1973	10	1,000	1,000	Cash	Allotment to our Promoter as initial subscriber to MoA	10	10,000
August 21, 1974*	7,490	1,000	1,000	Cash	Allotment to our Promoter	7,500	7,500,000
August 21, 1974*	5,000	1,000	1,000	Cash	Allotment to our Promoter	12,500	12,500,000
February 25, 1975*	7,500	1,000	1,000	Cash	Allotment to our Promoter	20,000	20,000,000
August 20, 1975*	2,500	1,000	1,000	Cash	Allotment to our Promoter	22,500	22,500,000
November 20, 1975*	2,500	1,000	1,000	Cash	Allotment to our Promoter	25,000	25,000,000
May 21, 1976*	4,300	1,000	1,000	Cash	Allotment to our Promoter	29,300	29,300,000
August 16, 1976*	7,500	1,000	1,000	Cash	Allotment to our Promoter	36,800	36,800,000
January 31, 1977*	43,200	1,000	1,000	Cash	Allotment to our Promoter	80,000	80,000,000
March 21, 1977*	49,300	1,000	1,000	Cash	Allotment to our Promoter	129,300	129,300,000
August 26,1977*	20,000	1,000	1,000	Cash	Allotment to our Promoter	149,300	149,300,000
December 20, 1977*	30,000	1,000	1,000	Cash	Allotment to our Promoter	179,300	179,300,000
March 04, 1978*	20,000	1,000	1,000	Cash	Allotment to our Promoter	199,300	199,300,000
May 17, 1978*	30,000	1,000	1,000	Cash	Allotment to our Promoter	229,300	229,300,000
May 17, 1978*	40,000	1,000	1,000	Cash	Allotment to our Promoter	269,300	269,300,000
July 27, 1978*	50,000	1,000	1,000	Cash	Allotment to our Promoter	319,300	319,300,000
August 29, 1978*	30,700	1,000	1,000	Cash	Allotment to our Promoter	350,000	350,000,000
September 29, 1978*	40,000	1,000	1,000	Cash	Allotment to our Promoter	390,000	390,000,000
May 30, 1979*	30,000	1,000	1,000	Cash	Allotment to our Promoter	420,000	420,000,000
August 22, 1979*	30,000	1,000	1,000	Cash	Allotment to our Promoter	450,000	450,000,000
June 14, 1982*	25,000	1,000	1,000	Cash	Allotment to our Promoter	475,000	475,000,000
August 25, 1982*	20,000	1,000	1,000	Cash	Allotment to our Promoter	495,000	495,000,000
December 22, 1982*	20,000	1,000	1,000	Cash	Allotment to our Promoter	515,000	515,000,000
March 16, 1983*	7,200	1,000	1,000	Cash	Allotment to our Promoter	522,200	52,22,00,000
April 28, 1984	14,000	1,000	1,000	Cash	Allotment to our Promoter	536,200	536,200,000
December 31, 1985	833,400	1,000	1,000	Cash	Allotment to our Promoter	1,369,600	1,369,600,000
March 27, 1986	3,800	1,000	1,000	Cash	Allotment to our Promoter	1,373,400	1,373,400,000
March 31, 2009	90,000	1,000	1,000	Cash	Allotment to our Promoter	1,463,400	1,463,400,000
April 14, 2010	370,000	1,000	1,000	Cash	Allotment to our Promoter	1,833,400	1,833,400,000
July 04, 2012	40,000	1,000	1,000	Cash	Allotment to our Promoter	1,873,400	1,873,400,000

***** *We have not been able to trace requisite Form-2 (return of allotment) filed with RoC in relation to the allotments made by us since inception till the year 1983 and hence have relied on minutes of meetings of the Board of Directors and registers of members of our Company. All such allotments have been made to the President of India, acting through the MoD and his nominees. See "Risk Factors 10 - There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company" on* page 21.

** *With effect from October 27, 2017, 1,873,400 Equity Shares of face value of ₹ 1,000 each were split into 187,340,000 Equity Shares of face value of ₹ 10 each.*

1. Our Company has not issued any preference shares since our incorporation and hence, there are no outstanding preference shares as on the date of this Prospectus.

2. Till date our Company has not issued any Equity Shares for consideration other than cash.

3. Our Company has not allotted any shares in terms of any scheme approved under section 230-232 of the Companies Act, 2013.

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

5. Our Company has not made any issue of specified securities at a price that may be lower than the Offer Price during the preceding one year from the date of the Red Herring Prospectus.

6. Our Company presently does not have any intention or proposal to alter the capital structure for a period of six months from the date of opening of the Offer, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for the Equity Shares) whether by way of preferential issue or bonus or right issue or further public issue of Equity Shares or qualified institutions placement or otherwise.

7. Build-up of Promoter's shareholding and Lock-in:

As on date of this Prospectus, our Promoter holds 187,340,000 Equity Shares, equivalent to 100% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Details of the build-up of our Promoter's shareholding in our Company:

Date of Allotment/ date when fully paid up	Number of Equity Shares	Face Value (₹)	Offer price per Equity Share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of Allotment	Cumulative number of Equity Shares	Percentage of total pre-Offer paid up capital	Percentage of total post-Offer paid up capital
November 28, 1973	10	1,000	1,000	Cash	Allotment to our Promoter as initial subscriber to MoA	1,000	Negligible	Negligible
August 21, 1974	7,490	1,000	1,000	Cash	Allotment to our Promoter	7,500	0.40	0.40
August 21, 1974	5,000	1,000	1,000	Cash	Allotment to our Promoter	12,500	0.27	0.27
February 25, 1975	7500	1,000	1,000	Cash	Allotment to our Promoter	20,000	0.40	0.40
August 20, 1975	2,500	1,000	1,000	Cash	Allotment to our Promoter	22,500	0.13	0.13
November 20, 1975	2,500	1,000	1,000	Cash	Allotment to our Promoter	25,000	0.13	0.13
May 21, 1976	4,300	1,000	1,000	Cash	Allotment to our Promoter	29,300	0.23	0.23
August 16, 1976	7,500	1,000	1,000	Cash	Allotment to our Promoter	36,800	0.40	0.40
January 31, 1977	43,200	1,000	1,000	Cash	Allotment to our Promoter	80,000	2.31	2.31
March 21, 1977	49,300	1,000	1,000	Cash	Allotment to our Promoter	129,300	2.63	2.63
August 26, 1977	20,000	1,000	1,000	Cash	Allotment to our Promoter	149,300	1.07	1.07
December 20, 1977	30,000	1,000	1,000	Cash	Allotment to our Promoter	179,300	1.60	1.60
March 04, 1978	20,000	1,000	1,000	Cash	Allotment to our Promoter	199,300	1.07	1.07
May 17, 1978	30,000	1,000	1,000	Cash	Allotment to our Promoter	229,300	1.60	1.60
May 17, 1978	40,000	1,000	1,000	Cash	Allotment to our	269,300	2.14	2.14

Date of Allotment/ date when fully paid up	Number of Equity Shares	Face Value (₹)	Offer price per Equity Share (₹)	Consideration (cash, bonus, consideration other than cash)	Nature of Allotment	Cumulative number of Equity Shares	Percentage of total pre-Offer paid up capital	Percentage of total post-Offer paid up capital
					Promoter			
July 27, 1978	50,000	1,000	1,000	Cash	Allotment to our Promoter	319,300	2.67	2.67
August 29, 1978	30,700	1,000	1,000	Cash	Allotment to our Promoter	350,000	1.64	1.64
September 29, 1978	40,000	1,000	1,000	Cash	Allotment to our Promoter	390,000	2.14	2.14
May 30, 1979	30,000	1,000	1,000	Cash	Allotment to our Promoter	420,000	1.60	1.60
August 22, 1979	30,000	1,000	1,000	Cash	Allotment to our Promoter	450,000	1.60	1.60
June 14, 1982	25,000	1,000	1,000	Cash	Allotment to our Promoter	475,000	1.33	1.33
August 25, 1982	20,000	1,000	1,000	Cash	Allotment to our Promoter	495,000	1.07	1.07
December 22, 1982	20,000	1,000	1,000	Cash	Allotment to our Promoter	515,000	1.07	1.07
March 16, 1983	7,200	1,000	1,000	Cash	Allotment to our Promoter	522,200	0.38	0.38
April 28, 1984	14,000	1,000	1,000	Cash	Allotment to our Promoter	536,200	0.75	0.75
December 31, 1985	833,400	1,000	1,000	Cash	Allotment to our Promoter	1,369,600	44.49	44.49
March 27, 1986	3,800	1,000	1,000	Cash	Allotment to our Promoter	1,373,400	0.20	0.20
March 31, 2009	90,000	1,000	1,000	Cash	Allotment to our Promoter	1,463,400	4.80	4.80
April 14, 2010	370,000	1,000	1,000	Cash	Allotment to our Promoter	1,833,400	19.75	19.75
July 04, 2012	40,000	1,000	1,000	Cash	Allotment to our Promoter	1,873,400	2.14	2.14
With effect from October 27, 2017, 1,873,400 Equity Shares of face value of ₹ 1,000 each were split into 187,340,000 Equity Shares of face value of ₹ 10 each.								
Total	**187,340,000**	**10**	**-**	**-**	**-**	**187,340,000**	**100.00**	**100.00**

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

None of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

(b) ***Details of Promoter's Contribution locked in for three years:***

As per regulation 32(1)(a) and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the post- Offer Equity Share capital of our Company held by our Promoter shall be considered as promoter's contribution and locked in for a period of three years from the date of Allotment **("Promoter's Contribution**") and our Promoter's holding in excess of 20% shall be locked in for a period of one year.

The MoD, pursuant to its letter bearing file number 23(60)/2015/D(NS-1) dated January 9, 2018, granted consent to include our shareholding of 37,468,000 Equity Shares, representing 20% of the post-Offer paid-up Equity Share capital of the Company, as minimum promoter's contribution for the Offer, under Regulation 32 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), which shall be considered for lock-in for a period of three years from the date of allotment of Equity Shares in the Offer, or for such other time as may be required under the SEBI ICDR Regulations.

The MoD has confirmed to our Company and the BRLMs that the acquisition of Equity Shares (constituting 20% of the fully diluted post-Offer Equity Share capital of our Company) has been financed from the consolidated fund of India and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

Details of Equity Share capital subject to lock-in for a period of three years commencing from the date of allotment of Equity Shares in the Offer

Date of allotment/ transfer or when the Equity Shares were made fully paid up	No. of Equity Shares locked-in	Face value (₹) *	Offer/ Acquisition price per Equity Share (₹) #	% of post-Offer Capital	Consideration (₹) *	Nature of Transaction
April 14, 2010	33,468,000	10	10	17.86	334,680,000	Cash
July 04, 2012	4,000,000	10	10	2.14	40,000,000	Cash
Total	**37,468,000**			**20**	**374,680,000**	

* *With effect from October 27, 2017 each Equity Share of face value of ₹ 1,000 was split into 100 Equity Shares of ₹ 10 each.*

\# *Adjusted for the change in face value from ₹ 1,000 to ₹ 10, per Equity Share.*

All Equity Shares, which are considered for the purposes of the Promoter's Contribution, are eligible as per the SEBI ICDR Regulations.

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the Promoter as required under the SEBI ICDR Regulations. All Equity Shares offered as minimum Promoter's Contribution were fully paid up at the time of their issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

i. The Equity Shares offered for Promoter's Contribution are not acquired in the last three years from the date of this Prospectus: (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's Contribution;

ii. The Equity Shares offered for Promoter's Contribution do not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Offer;

iii. The Equity Shares offered for Promoter's Contribution have not been formed by the conversion of partnership firm into a company;

iv. The Equity Shares offered for Promoter's Contribution are not subject to any pledge; and

v. The Equity Shares offered for Promoter's Contribution does not consist of Equity Shares for which specific written consent has not been obtained from our Promoter for inclusion of its subscription in the minimum Promoter's Contribution subject to lock-in.

(c) ***Details of other equity share capital locked-in for one year:***

In terms of regulation 37 of SEBI ICDR Regulations and in addition to the above Equity Shares (forming part of the Promoter's Contribution) that are locked-in for three years, the entire pre-Offer share capital of our Company excluding the Equity Shares sold in the Offer for Sale, will be locked-in for a period of one year from the date of Allotment in this Offer, excluding the Equity Shares that are Allotted pursuant to the Offer.

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

In terms of regulation 39 of SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked in for a period of one year may be pledged only with scheduled commercial banks or PFIs as collateral security for loans granted by such banks or financial institutions, provided that the (i) pledge of the Equity Shares is one of the terms of the sanction of the loan; and (ii) if the Equity Shares are locked-in as Promoter's Contribution for three years under regulation 36(a) of the SEBI ICDR Regulations, then in addition to the requirement in (i) above, such shares may be pledged only if the loan has been granted by the scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Offer.

The Equity Shares held by our Promoter may be transferred to new promoters 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

8. Shareholding Pattern of our Company as on the date of this Prospectus:

Pursuant to regulation 31 of the SEBI Listing Regulations, the holding of specified securities is divided into the following three categories:

(a) Promoter and Promoter Group;

(b) Public; and

(c) Non Promoter - Non Public.

Summary statement holding of Equity Shareholders as on date of this Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. 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)		No. 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 Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No. of Voting Rights Class – Equity Shares	Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter	7 *	187,340,000	-	-	187,340,000	100	187,340,000	100	-	100	-	-	-	-	187,339,994**
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C3)	Shares underlying ESOP's	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7 ***	**187,340,000**	-	-	**187,340,000**	**100**	**187,340,000**	**100**	-	**100**	-	-	-	-	**187,339,994****

* *As on date of filing of this prospectus, the President of India holds 100% of the Equity Shares of our Company out of which 187,339,994 Equity Shares are held by the President of India and each of Dr. Dinesh Kumar Likhi, Sadhna Khanna, Ashwini Kumar, Sanjay Garg, Apurva Chandra and Ashok Kumar Gupta hold 1 Equity Share each as nominees of the President of India.*

** *187,339,994 Equity Shares held by the Promoter of the Company have been dematerialised. However, 6 Equity Shares held by six nominees of the Promoter are in physical form and would be transferred to the Promoter of the Company post listing of Equity Shares and subsequently dematerialised.*

9. 1,873,400 Equity Shares were reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at the Offer Price and subject to the maximum Bid Amount by each Eligible Employee not exceeding ₹ 500,000 on a net basis. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (excluding Employee Discount) (on net basis). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such *unsubscribed* portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount) (on net basis). Only Eligible Employees are eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees Bidding under the Employee Reservation Portion may also be made in the Net Offer and such Bids will not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 1,873,400 Equity Shares at the Offer Price, allocation will be made on a proportionate basis.

10. Any unsubscribed portion in Employee Reservation category shall be added to the Net Offer. Under subscription, if any, in Non-Institutional Bidders and Retail Individual Bidders, would be met with spill over from any other categories or combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and the Designated Stock Exchange. 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. Any inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. In the event of under-subscription in the Net Offer (except the QIB Portion), spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Offer.

11. The list of top 10 shareholders of our Company and the number of Equity Shares held by them is as under:

(a) *Top 10 shareholders as on the date of this Prospectus*:

Name of the Shareholders	Number of Equity Shares	% of pre-Offer Share Capital
President of India	187,339,994	99.9999
Ashok Kumar Gupta*	1	Negligible
Apurva Chandra*	1	Negligible
Dinesh Kumar Likhi *	1	Negligible
Sanjay Garg*	1	Negligible
Ashwini Kumar*	1	Negligible
Sadhna Khanna *	1	Negligible
Total	**187,340,000**	**100**

* *Nominees of the President of India.*

(b) *Top 10 shareholders as on 10 days before this Prospectus:*

Name of the Shareholders	Number of Equity Shares	% of pre-Offer Share Capital
President of India	187,339,994	99.9999
Ashok Kumar Gupta *	1	Negligible
Apurva Chandra *	1	Negligible
Dinesh Kumar Likhi *	1	Negligible
Sanjay Garg *	1	Negligible
Ashwini Kumar *	1	Negligible
Sadhna Khanna *	1	Negligible
Total	**187,340,000**	**100**

* *Nominees of the President of India.*

(c) *Top 10 shareholders as on two years before the date of filing of this Prospectus*

Name of the Shareholders	Number of Equity Shares of face value of ₹ 10 each**	% of pre-Offer Share Capital
President of India	187,339,999	100
Dr. Dinesh Kumar Likhi *	1	Negligible
Total	**187,340,000**	**100**

* *Nominees of the President of India.*

** *1 equity share of face value of ₹ 1,000 each was sub-divided into 100 shares of face value of ₹ 10 each with effect from October 27, 2017.*

12. Neither our Promoter nor our Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of this Prospectus.

13. Our Director, Dr. Dinesh Kumar Likhi holds 1 (One) Equity Share each of our Company as a nominee of the President of India. None of our Directors hold Equity Shares of our Company in their individual capacities. None of our Key Management Personnels holds Equity Shares in our Company in their individual capacities.

14. The total number of holders of the Equity Shares as on the date of this Prospectus is 7, consisting of the President of India and its nominees.

15. Our Promoter, our Company, our Directors and the BRLMs have not entered into any buyback or standby arrangements or any other similar arrangement for purchase of Equity Shares from any person, being offered in this Offer. Further, the BRLMs have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.

16. As on the date of this Prospectus, the BRLMs and/or their associates do not hold any Equity Shares.

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

18. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

19. There has been no financing arrangement by which the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the SEBI.

20. None of our Equity Shares are subject to any pledge.

21. The Equity Shares, including the Equity Shares being offered in the Offer for Sale, are fully paid-up and there are no partly paid-up Equity Shares.

22. Our Company does not currently have any employee stock option scheme / employee stock purchase scheme for our employees.

23. The Offer has been made for at least 25% of the post Offer paid-up Equity Share capital of our Company pursuant to Rule 19(2)(b) of SCRR. In accordance with Regulation 26(1) of the SEBI ICDR Regulations, the Offer was made through the Book Building Process where in 50% of the Net Offer was available for allocation to QIB Bidders on a proportionate basis. 5% of the QIB Portion was available on a proportionate basis only to Mutual Funds, and the

remainder of the QIB Portion was available for allocation to all QIB Bidders including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids received at or above the Offer Price. Further, 1,873,400 Equity Shares was reserved for allocation on a proportionate basis to Eligible Employees, subject to valid bids received at or above the Offer Price.

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

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

26. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares after the Offer.

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

28. Our Company shall ensure that transactions in the Equity Shares by our Promoter between the date of registering the Red Herring Prospectus with the RoC and the Bid/Offer Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.

29. Except to the extent of tendering Equity Shares in the Offer as the Selling Shareholder, our Promoter will not participate in the Offer.

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

OBJECTS OF THE OFFER

The objects of the Offer are: (i) to carry out the disinvestment of 48,708,400 Equity Shares by the Selling Shareholder constituting 26% of our Company's pre-Offer paid up Equity Share capital; and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all proceeds shall go to the Selling Shareholder.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹ 225.62 million.

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company.

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

(₹ in million)

Activity	Estimated amount (₹ in million)(1)	As a % of the total estimated Offer expenses(1)	As a % of the Offer size(1)
Fees payable to BRLMs (including underwriting commission, processing fees for SCSBs, printing and stationery expenses)	79.3	35.15	1.83
Brokerage, selling commission and processing/ uploading charges for Members of the Syndicate, SCSBs, Registered Brokers, RTAs and CDPs(2)(3)	7.59	3.36	0.18
Fees payable to Registrar to the Offer	0.00	0.00	0.00
Advertising and marketing expenses	118.55	52.55	2.74
Others			
• Listing fees	0.63	0.28	0.01
• SEBI, BSE and NSE processing fees	13.27	5.88	0.31
• Fees payable to Legal Counsel	6.00	2.66	0.14
• Miscellaneous (including Depository charges, fees to Auditors etc.)	0.27	0.12	0.01
Total estimated Offer expenses	**225.62**	**100.00**	**5.21**

(1) Amounts finalised at the time of filing this Prospectus and on determination of Offer Price and other details.

(2) Selling commission on the Retail Portion, Non-Institutional Portion and the Employee Reservation Portion which are procured by Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Retail Portion	*0.35% of the amount Allotted* (plus applicable GST)*
Non-Institutional Portion	*0.15% of the amount Allotted* (plus applicable GST)*
Employee Reservation Portion	*0.25% of the amount Allotted* (plus applicable GST)*

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

(3) SCSBs

Selling commission payable to the SCSBs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are directly procured by them would be as follows:

Retail Portion	*0.35% of the amount Allotted* (plus applicable GST)*
Non-Institutional Portion	*0.15% of the amount Allotted* (plus applicable GST)*
Employee Reservation Portion	*0.25% of the amount Allotted* (plus applicable GST)*

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

No additional bidding charges shall be payable by the Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

(4) Registered Brokers

Selling commission payable to the Registered Brokers on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:

Retail Portion	*Rs 10 per valid application* (plus applicable GST)*
Non-Institutional Portion	*Rs 10 per valid application* (plus applicable GST)*
Employee Reservation Portion	*Rs 10 per valid application* (plus applicable GST)*

* *Based on valid applications.*

The total selling commission payable to Registered Brokers will be subject to a maximum cap of Rs 0.10 million (plus applicable GST). In case the total selling commission payable to Registered Brokers exceeds Rs 0.10 million, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total selling commission payable does not exceed Rs 0.10 million.

(5) RTAs and CDPs

Selling commission payable to the RTAs and CDPs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are directly procured by the RTAs or CDPs and submitted to SCSBs for processing, would be as follows:

Retail Portion	*0.35% of the amount Allotted* (plus applicable GST)*
Non-Institutional Portion	*0.15% of the amount Allotted* (plus applicable GST)*
Employee Reservation Portion	*0.25% of the amount Allotted* (plus applicable GST)*

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

(6) ASBA processing fees to SCSBs

Processing fees payable to the SCSBs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are procured by the Members of the Syndicate/ Sub-Syndicate Members / Registered Brokers/ RTAs/ CDPs and submitted to SCSBs for blocking, would be as follows:

Retail Portion	*Rs 10.00 per valid ASBA Form* (plus applicable GST)*
Non-Institutional Portion	*Rs 10.00 per valid ASBA Form* (plus applicable GST)*
Employee Reservation Portion	*Rs 10.00 per valid ASBA Form* (plus applicable GST)*

* *For each valid application.*

SCSBs will be entitled to a processing fee of Rs 10 (plus applicable GST), per valid ASBA Form, subject to total ASBA processing fees being maximum of Rs 1.0 million (plus applicable GST), for processing ASBA Forms procured by Members of the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds Rs 1.0 million, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs 1.0 million.

Important Note:

(a) The brokerage / selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the ASBA Form number / series, provided that the application has been bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, has been bid by an SCSB, the brokerage / selling commission will be payable to the SCSB and not to the Syndicate / Sub-Syndicate Member.

(b) The brokerage / selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

(c) No additional bidding charges shall be payable by the Company and the Selling Shareholder to the Syndicate / Sub-Syndicate Members, Registered Brokers, RTAs, CDPs or SCSBs on the applications directly procured by them.

(d) Payment of brokerage / selling commission payable to the sub-brokers / agents of the Sub-Syndicate Members shall be handled directly by the Sub-Syndicate Members, and the necessary records for the same shall be maintained by the respective Sub-Syndicate Member.

The Offer expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Designated Intermediaries by BRLM/DIPAM in accordance with the arrangements/ agreements entered into by our Company/DIPAM with the relevant Designated Intermediary.

BASIS FOR OFFER PRICE

The Offer Price was determined by our Company and the Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 8.7 times the face value at the lower end of the Price Band and 9.0 times the face value at the higher end of the Price Band.

Qualitative Factors

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

- Most advanced and unique facilities.
- Capability to manufacture wide range of advanced products.
- Strong long term customer relationships.
- Research and development based technology development.
- Highly Qualified and Experienced Management and Management Systems.

For further details see, "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 97, 17 and 141, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. Our Company has only one set of restated financial statements since it has no associates, subsidiaries, joint ventures to consolidate. For further details, see *"Financial Statements" on page 141* of this Prospectus.

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

1. **Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital: As per our Restated Financial Statements**:

Year ended	Basic and Diluted EPS (in ₹)	Weight
March 31, 2017	6.74	3
March 31, 2016	6.37	2
March 31, 2015 (proforma)	5.53	1
Weighted Average	**6.42**	
Half year ended September 30, 2017*	1.46	

** Not Annualized*

Note:

i. The face value of equity share is ₹ 10 each.

ii. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/ year at the end of the period/ year.

iii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.

iv. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period 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 year/period.

v. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.

vi. EPS calculations have been done in accordance with Indian Accounting Standard Ind AS 33 – "Earning per share" prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2. Price/Earning (P/E) ratio in relation to Offer Price of ₹ 90 per Equity Share of ₹ 10 each:

Sr. No.	Particulars	Times (x)
1.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2017 at the Floor Price	12.91
2.	P/E ratio on the Basic and Diluted EPS for the year ended March 31, 2017 at the Cap Price	13.35

Industry P/E Ratio

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers is not applicable.

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

Period ended	RoNW (%)	Weight
March 31, 2017	17.93	3
March 31, 2016	19.26	2
March 31, 2015(proforma)	19.19	1
Weighted Average	**18.58**	
September 30, 2017	3.72*	-

* RoNW is not annualized

Note:

i. Return on Net Worth has been computed as Net Profit after tax as divided by Net Worth at the end of the period/year.

ii. Net Worth for Equity Shareholders has been computed as sum of share capital and reserves and surplus (includes Securities Premium and Surplus / (Deficit) in Standalone Statement of Profit and Loss).

4. Minimum Return on Increased Net Worth for maintaining Pre-Offer EPS for the year ended March 31, 2017

There will be no change in the Networth post offer as the Offer is by way of Offer for sale by Selling Shareholder.

5. Net Asset Value ("NAV") per Share:

Year Ended	NAV Per share (₹)
March 31, 2017	37.60
Half year ended September 30, 2017	39.15
After the Offer	There will be no change in the NAV post Offer, as the Offer is by way of an Offer for Sale by Selling Shareholder.

Note: Net Assets Value per Equity Share (₹) = Net worth as restated at the end of the year divided by Number of Equity Shares outstanding at the end of the year.

6. Comparison of accounting ratios with Industry Peers

There are no comparable listed companies in India that engage in the same line of business as the Company, hence comparison with industry peers is not applicable.

7. The Offer price is 9.0 times of the face value of the Equity Shares.

The Offer Price of ₹ 90 has been determined by our Company and Selling Shareholder, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares through the Book-Building Process and is justified in view of the above qualitative and quantitative parameters. Investors should read the above mentioned information along with "*Risk Factors*" and "*Financial Statements*" on pages 17 and 141, 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"* on page 17 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

November 30, 2017

To
The Board of Directors
Mishra Dhatu Nigam Limited,
Corporate Office,
P.O. Kanchanbagh,
Hyderabad - 500 058, Telangana, India

Dear Sirs,

Sub: Statement of possible special direct tax benefits ("Statement") available to Mishra Dhatu Nigam Limited ("the Company") and its shareholders under the Indian tax laws

We, Basha & Narasimhan, the statutory auditors of the Company, refer to the proposed offer for sale of Equity Shares face value INR 10 each of the Company (**"Equity Shares"**). We enclose herewith report on the possible special tax benefits available to the Company and to its shareholders as per the provisions of the Income Tax Act 1961 (as amended by Finance Act, 2017) (**"Act"**), as applicable to the assessment year 2018-19 relevant to the financial year 2017-18 for inclusion in the Draft Red Herring Prospectus (**"DRHP"**), the Red Herring Prospectus (**"RHP"**), and the Prospectus (collectively referred to as the **"Offer Documents"**) for the proposed offer for sale (**"Offer"**).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide 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 their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement. We do not express any opinion or provide any assurance whether:

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

We hereby give our consent to include enclosed statement regarding the special direct tax benefits available to the Company and to its shareholders in the Offer Documents for the Offer which the Company intends to submit to the SEBI provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the Offer relying on the statement.

This statement has been prepared solely in connection with the Offer under the Regulations as amended.

For **BASHA & NARASIMHAN,**
Chartered Accountants
Firm's Registration No. 006031S

K. NARASIMHA SAH
Partner
Membership Number: 201777

Place: Hyderabad

Annexure to the 'Statement of Special Tax Benefits

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

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

***Notes*:**

i. *The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.*

ii. *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, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.*

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

iv. *Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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.*

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from the "Industry Report on High Value Speciality Steel, Superalloys and Titanium Alloy Products Market in India" of December 13, 2017, by Frost and Sullivan (the "F&S Report"), as well as other industry sources and government publications. All information contained in the F&S Report has been obtained by F&S from sources believed by it to be accurate and reliable. Although reasonable care has been taken by F&S to ensure that the information in the F&S Report is true, such information is provided 'as is' without any warranty of any kind, and F&S in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and F&S shall not be liable for any losses incurred by users from any use of this publication or its contents. Neither our Company, nor the BRLMs or 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 believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

GLOBAL OVERVIEW OF HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS

Market Overview for High Value Speciality Steel

High value speciality steels are premium alloy steel grades that are used across major industries such as automotive, industrial components, aerospace, defence, oil & gas etc., mainly as functional components that are subjected to high temperature, stress and corrosive environment. As per World's Steel Association, the global finished steel consumption is estimated to be 1,515 million tonnes, of which commercial high value speciality steel products account to around 5% in 2016. High value speciality steel grades are broadly classified as Nickel alloy, armor grade steel and other speciality stainless steel grades.

Market Overview for Superalloys

Superalloys are speciality products that have superior resistance towards corrosion and oxidation at high temperature (around $600^{o}C$) with extended lifespan in higher stress conditions. Frost & Sullivan observed the global demand for superalloy products to be around 425,000 MT, with major consumption in countries such as US, Germany, France, Italy, UK, Russia and Spain.

Market Overview for Titanium Alloys

Titanium metal is known for its high strength to low weight ratio, making it an ideal material for aircrafts manufacturing, including fighter aircrafts. Other key end user segments where titanium finds application are bio medical implants, and exhaust systems in high end automobiles. Frost & Sullivan observed global production of titanium to be around 200,000 MT in 2016, with China and USA leading in global production. Titanium alloys occupying a healthy 13% of total aerospace raw material demand through the year 2020 globally, will fuel the demand growth for titanium alloy products during the next five years.

The United States is the largest supplier of high value speciality Steel, superalloy and titanium alloy products in the global market. The US has high defence budgets and large internal demand for aerospace and defence products. Majority of the global suppliers of high value speciality steel, superalloy and titanium alloy are based in the US due to large end users being based out of the country. These suppliers also have strong export orders. Other key countries for the supply of selected products are UK, Japan, Italy, Germany, France, Russia and China.

Brief Profiles of Select Global Suppliers of High Value Speciality Steel, Superalloy and Titanium Alloys

Company	Product Range
Allegheny Technologies Incorporated **United States**	• Titanium and titanium alloys • Nickel and cobalt based alloys • Stainless and Speciality Steel (martensitic, super ferritic) • Zirconium alloys
Carpenter Technology Corporation **United States**	• Stainless steel • Titanium alloys • Powder metals • Controlled expansion alloys • Corrosion resistant alloys • Non-magnetic alloys • Soft magnetic alloys
Haynes International **United States**	• High performance nickel and cobalt based alloys • Corrosion resistant alloys • High temperature alloys
Special Metals Corporation **United States**	• High-performance nickel and cobalt alloy plate and sheet • Nickel alloys and nickel welding consumables • Inconel Alloys • Duranickel alloys
Titanium Metals Corporation **United States**	• Titanium alloys • Titanium ingot • Titanium casting stock • Titanium sheets • Powder metals of nickel, titanium and other metals
Aperam **Luxembourg**	• Stainless and electrical steel • Stainless specialties • Special carbon • Nickel chromium alloys • Nickel Alloys and specialties
Thyssenkrupp Aerospace **Germany**	• Titanium bars and tubes • Nickel alloys • Copper alloys • Steel sheet and plates
VSMPO-AVISMA Corporation **Russia**	• Titanium slabs, billets, ingots, disks • Ferrotitanium • Aluminium panels, profiles and ingots
Hitachi Metals **Japan**	• Titanium sintered products • Soft magnetic components and materials • Magnetic materials • Speciality steel-alloy products

<u>Global Military Spending</u>

According to the Stockholm International Peace Research Institute ("**SIPRI**"), global military spending in 2016 was USD 1.69 trillion, an increase of 0.4% over 2015. The US, China, Russia, Saudi Arabia, India, France, UK, Japan, Germany and South Korea accounted for 73% of the global military spending. With the highest annual military expenditure in the world, the US's military spending grew by 1.7% from 592 billion in 2015 to USD 611 billion in 2016. China's military expenditure has registered a growth of 5.4% in 2016 to USD 215 billion. Russia increased its spending by 5.9% in 2016 to USD 69.2 billion.

Global demand for defence and military equipment has been increasing in the Middle East, Eastern Europe, North Korea, and the East and South China Seas. This is in turn has resulted in increased global spending in defence as countries like the United

Arab Emirates, Saudi Arabia, South Korea, Japan, India, and China have increased procurement of next generation military equipment.

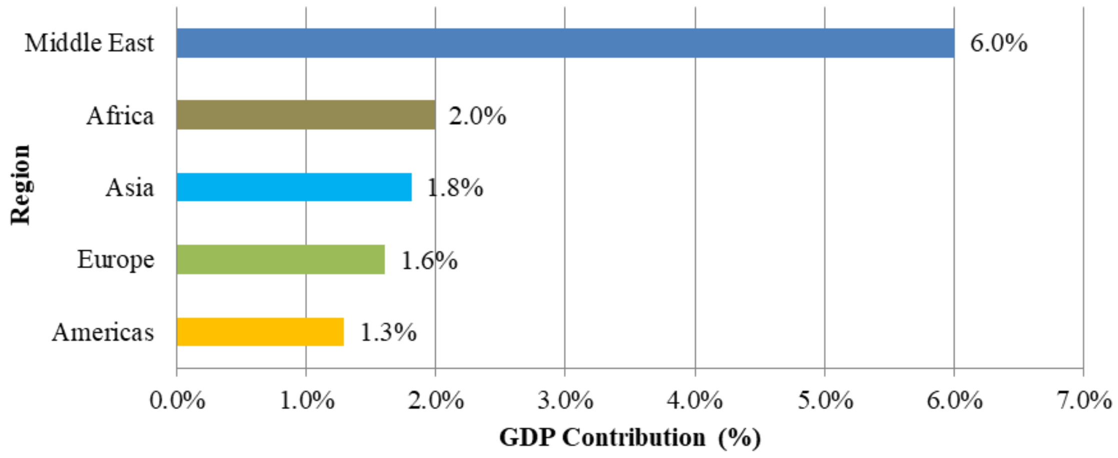
Top 15 Military Spending Nations, USD Billion, 2016

Country	Military Spending (USD Bn.)
USA	611
China	215
Russia	69
KSA	64
India	56
France	56
UK	48
Japan	46
Germany	41
South Korea	37
Italy	28
Australia	25
Brazil	24
UAE	23
Israel	18
Others	326

Source: SIPRI, compiled by Frost & Sullivan

World military spending in 2016 accounted for 2.2% of global GDP. From data published by SIPRI and the World Bank, military spending in Asia, Oceania, Central Europe, Eastern Europe, Western Europe and North America posted sizeable increases, whereas, spending decreased in Africa, Central America and the Caribbean, and South America. Military spending as a share of GDP was highest in the Middle East, with an average of 6.0% of GDP in 2016, while the lowest was in the America, with an average of 1.3% of GDP. Spending in Africa accounted 2.0%, while in Asia and Oceania, military expenditure accounted 1.8% of the GDP in 2016 and in Europe accounted 1.6% of the GDP. India's military expenditure accounted for around 1.74% of its GDP, and globally ranked 5th in terms of military spending.

Global Military Spending as % of GDP, 2016



Source: SIPRI, Frost & Sullivan Analysis

Overview of Key End User Segments: Global

Carbon steel, alloy, and speciality steel components used by defence contractors are critical to a country's military strength. Domestic and imported steel materials are found in virtually every military platform – missiles, jet aircrafts, submarines, helicopters or munitions.

Globally defence, aerospace, oil and gas, and power are key end use segments for high value speciality steel, Superalloys and titanium alloy products.

The growth of aerospace and defence sector remain supported by increasing global defence expenditures amid the rising global tensions and security threats, instability in the Middle East, as well as higher budget allocation for US Department of Defence. Furthermore, the aerospace and defence market continue to be sustained by growth in travel demand, driven by global demographics and wealth creation in Asia and the Middle East.

Commercial Aerospace

Driven by strong demand for next generation aircraft and growing passenger traffic, particularly in the Asia Pacific and the Middle East regions, global aircraft production levels posted a robust growth in 2016. Total aircrafts delivered in 2016 reached 41,030 units, compared to 39,620 units 2015. Asia Pacific accounted for 39% of new deliveries 2016, followed by North America and Europe that accounted for 21% and 18% respectively.

China's Commercial Aircraft Corporation of China ("**COMAC**"), the new entrant in the commercial aircraft market has completed its first public flight test of their C919 jets in May 2017 and bagged order worth 570 new aircrafts to be delivered by 2020. With Superalloys, titanium alloys, aluminium alloys and composites being a major component, growth in aircraft carrier production will significantly boost demand for specialty materials.

At the end of 2016, about 23,480 commercial aircraft jets were in service, indicating that existing fleets are reaching retirement age every year. Catering to replacement demand requires an increasing number of new airplanes. While this varies year to year due to cyclical conditions, average long-term replacement is generally about 3% of the existing fleet per year – implying that roughly 18,000 retirements are expected over the 2017-2036 period.

Oil & Gas

According to the BP Statistical Review of World Energy 2017, global oil and gas sector investments was reported to be USD 649 billion in 2016, accounting for nearly 1% of global GDP. New investments planned in the upstream, midstream and downstream hydrocarbon sectors are expected to drive demand for Superalloys, duplex steel, flat steel and tubular steel products. By 2020, about USD 13 billion investment is expected in North America to focus on expanding existing sites, as opposed to new refineries. China is expected to add 160 million tonnes of refinery capacity by 2020, while India is expected to add 50 million tonnes of refinery capacity by 2020.

According to the Arab Petroleum Investments Corporation ("**APICORP**"), planned investments in the Middle East and North African hydrocarbon sector are estimated to the tune of USD 415 billion for 2017-2021. The oil sector is expected to account for the highest share of investments at USD 195 billion. Gas and petrochemical sectors will represent USD 159 billion and USD 61 billion respectively.

Power

According to the International Energy Agency ("**IEA**"), global electricity investment reached USD 718 billion in 2016. Investment of USD 297 billion in new renewables-based power capacity continued to account for the highest share of electricity spending, with 50% higher capacity additions and 35% higher output expected from this capacity additions. Global spending on electricity networks and storage was USD 277 billion in 2016, with 30% of increase been driven by China's spending on its distribution system. India and Southeast Asia accounted for 15%, where the grid is expanding briskly to accommodate growing demand. In the US (17%) and Europe (13%), a growing share was attributed to the replacement of ageing transmission and distribution assets. This is expected to drive the requirement of invar/Superalloy in the transmission line segment.

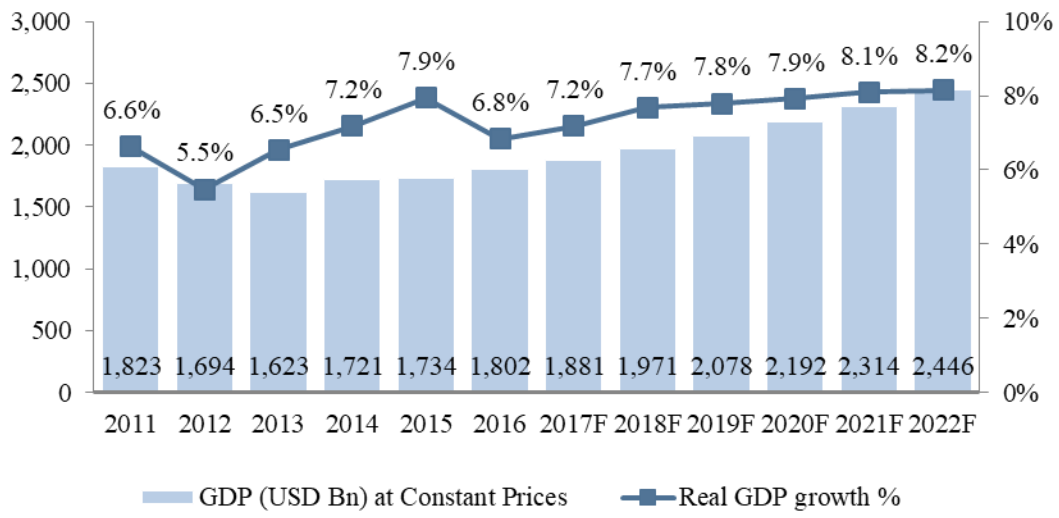
INDIA: BRIEF MACROECONOMIC OVERVIEW

Gross Domestic Product ("GDP") Growth

Over the past decade, India has been amongst the most robust economies growing at an average of 7.3% annually during 2010-2016. According to the IMF, its economy is deemed stable, and it has the highest growth among G20 economies mainly due to improved monetary and fiscal policies, and lower oil prices. The country has managed to maintain strong macroeconomic fundamentals, moderate inflation levels, and positive fiscal and monetary policies. Buoyed by a positive investment climate, government impetus, and a weak commodity cycle, India became the fastest growing large economy in 2015. According to the World Bank, India grew at 7.6%, overtaking China that grew at 6.7%. India's growth slowed to an extent in 2016, largely driven by the demonetization drive that withdrew 86% of the cash circulation to be replaced with new currency notes. However, this slowdown is viewed as temporary, with the economy expected to bounce back significantly in the medium term. The Goods and Services Tax (the "**GST**") that was implemented in July 2017 is the biggest tax reform in India. Inflation is expected to reduce and tax avoidance is expected to become difficult. Hence, India's GDP will be benefitted and extra resources will be aimed to uplift the weaker sections of the society.

The country may face temporary challenges from strengthening of US dollar and an increasing trade deficit as the global commodity prices normalize. This could also lead to an increase in inflation which may drive down consumption. However, the IMF forecasts India's real GDP growth at between 6.8% and 8.2% from CY2016 to CY2022, mainly due to the revival of global trade, and positive policy actions.

Real GDP Growth Rate and GDP Value, India, (USD Billion), 2011-2022

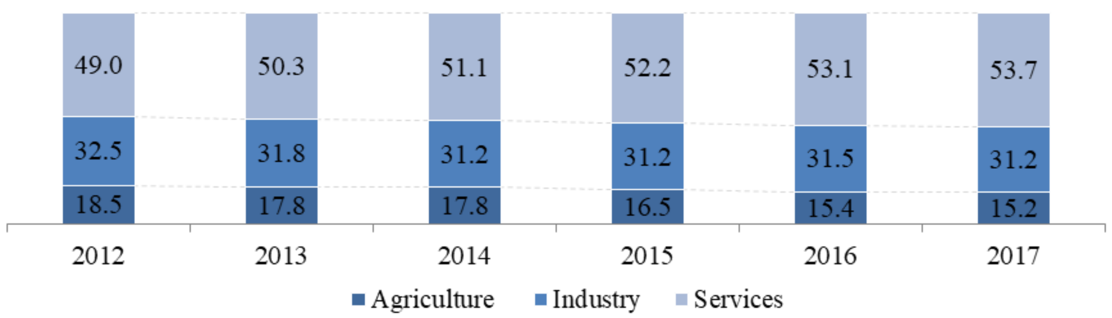


Source: IMF, World Economic Outlook Report, April 2017, compiled by Frost & Sullivan

The service and the industry sector are the largest and second largest contributor to the Indian economy. According to the World Steel Association, India was the third-largest producer of steel (96 million tonnes) and second-largest producer of stainless steel globally (3.32 million tonnes) from 2016 to 2017.

The industrial sector, which comprises of mining, manufacturing, electricity and construction, has been fluctuating in terms of GDP share from 32.5% in 2012 to 31.2% in 2017 due to the global slowdown in the recent years.

GDP: Key Contributing Sectors from Fiscal 2012 to Fiscal 2017(in %)



Source: MOSPI, Compiled by Frost & Sullivan

Note: GVA taken into consideration for contribution share of sectors

Overview of the Defence Sector

India's defence industry continues to strive to become a cutting edge, technology-savvy, self-sufficient, and world-leading industry. According to data published by the Department of Industrial Policy and Planning, India's defence industry had attracted ₹ 130,000 million in Foreign Direct Investment ("**FDI**") in Fiscal 2015. The proposed 100% FDI with full technology transfer aims at addressing the need of capital investment and improved technology transfer. Ordnance factories ("**OF**") and Defence Public Sector Undertakings ("**DPSUs**") are engaged in the manufacturing of weapon systems for the armed forces. The private sector has been mainly involved in supplying raw material, semi-finished products, and components to DPSUs, OF, army base workshops, air force base repair depots, and navy dockyards.

Some key features of the Indian defence industry include:

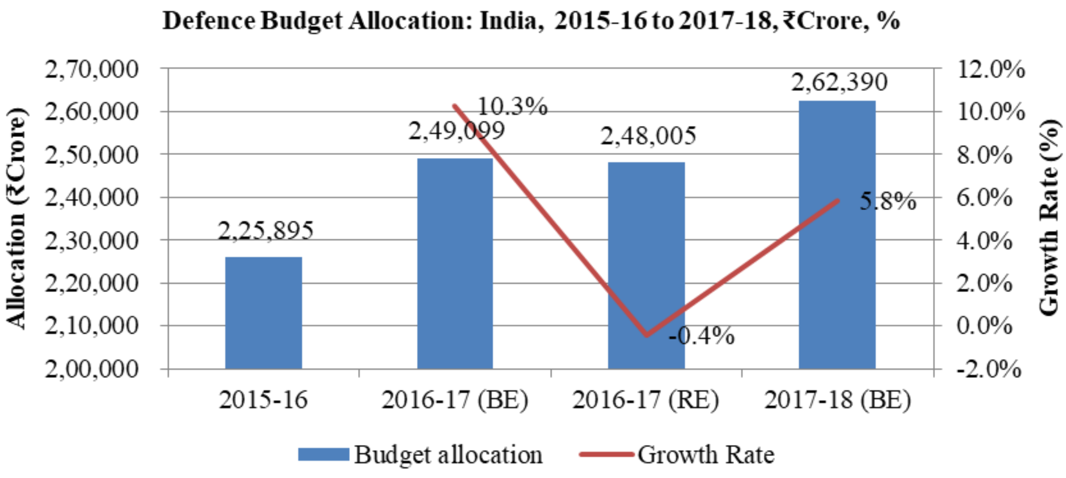
- Fourth largest armed forces worldwide, in the 2017 Military Ranking by the Global Firepower list
- One of the largest arms importer, accounting for 12.8% of global arms imports (between 2012 and 2016)
- Ranks fifth in the global military budget (2016)

The industry however, suffers from several legacy issues. Almost half of India's military equipment is approaching obsolescence. Additionally, India overwhelmingly relies on imports for its defence equipment. Almost 70% of its defence requirements are imported.

India's military seems reluctant to procure weapons from Indian firms, citing low or no track record in defence manufacturing. Additionally, Indian firms have refused bidding for government tenders worth approximately ₹ 975,000 million since 2013, quoting unrealistic quality demands, opaque processes, and slow decision making.

By 2027 the government plans to achieve approximately 70% indigenization in defence purchase, and the government has taken steps by budgeting ₹ 915,800 million for defence capital expenditure in Fiscal 2018, which is 25% of the nation's overall defence budget. To take this to the next level, India expects to export defence equipment worth ₹ 128,000 million by 2019 to countries such as Vietnam, Mauritius and the UAE.

Between 2015 and 2020, the defence cumulative spending is estimated to be ₹ 22,931,500 million, of which new armaments spending is estimated to be ₹ 8,630,500 million. Procurement of new equipment from domestic sources is estimated to increase between 2015 and 2030 from 44% to 55%. By Fiscal 2025-2030, the defence spending is estimated to hit ₹ 41,934,700 million.



Source: SIPRI, complied by Frost & Sullivan

New procurement policies would likely result in indigenous development and increased production in the long term. The Indian defence establishment will move from off-the-shelf purchases to co-development and partnership. Critical equipment shortfall in certain sectors would mandate high-value, off-the-shelf purchases in the short and medium terms to maintain the combat readiness of the Indian Armed Forces.

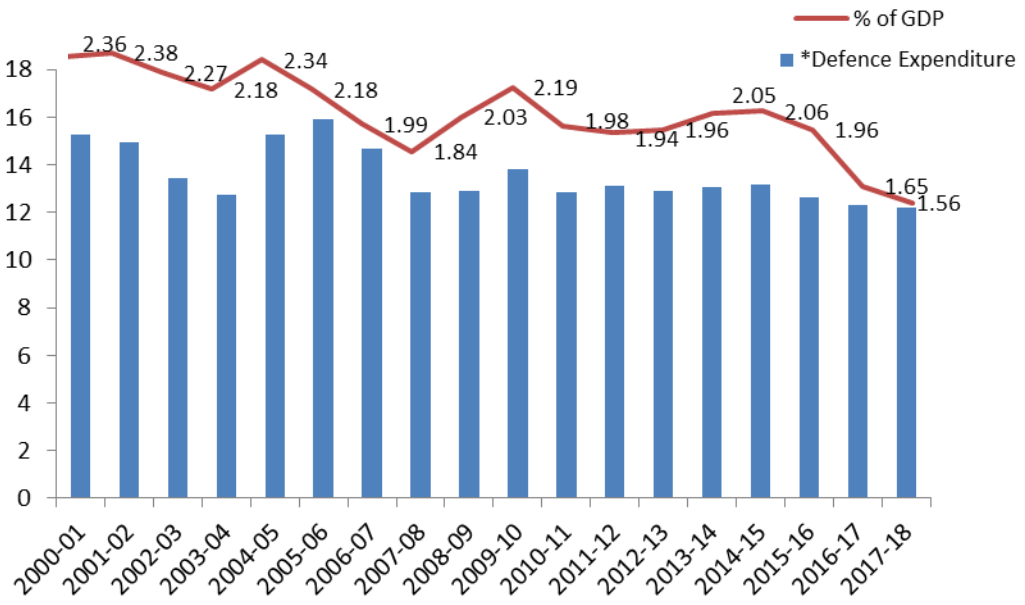
Contribution of the Defence Sector to the Indian Economy

There is a positive direct link between the defence budget growth and economic growth. Defence spending has macroeconomic implications, since security threats have an adverse impact on trade and business. Gross Capital Formation ("**GCF**"), (investment, at current prices) estimate for Fiscal 2016 was 30.4% of GDP, the lowest since Fiscal 2012. However, India stood well above the global average of 24.2% in 2015, which is a healthy sign. The way forward is to boost investments through increased private-public partnerships.

Defence allocation is likely to remain constant for the next three to four years, in order for the government to focus on offsetting the economic impact of demonetization. The MoD currently need an increase of roughly 10% to deal with inflation and the vast sums required to modernize India's aging military hardware.

The chart below illustrates defence spending as a percentage of GDP. The defence budget, which currently accounts to 1.56% of GDP (as compared to 1.65% in Fiscal 2017) could be increased to accommodate continuous R&D with international manufacturers, and replacement of obsolete machinery.

Historic Trend of Defence Expenditure (USD Bn) and its Share in GDP (%), Fiscal 2001-18



* as a percentage of Central Government expenditure

Source: Defence Standing Committee Report, compiled by Frost & Sullivan

Speciality material – high value speciality Steel, Superalloys and titanium alloy products – are a vital segment to the defence industry, and is found on almost every application platform. For instance, fighter jets use high performance specialty steels and Superalloys. Light armoured vehicles use significant tonnage of steel plate per vehicle. Steel plates are also used by the navy in the fleets of bodies and propulsion systems. The control cables found in the defence industry are produced from steel wire rope. A subsequent increase in the defence budget will have a direct positive impact on the demand of speciality material in India. Given the cost advantage and highly skilled engineering talent base, India could harness its potential to produce superior material indigenously and also increase its presence in the global supply chain.

The market growth for high value speciality steel, Superalloy and titanium alloy products is largely dependent on new project investment and expansion plans of the defence, air force, navy, space segments. The Army's plans involve indigenization of key components and spares of tanks and other weapons systems. This is in synchronization with the aim of the MoD to reduce import bill and promote domestic production of military equipment. The Indian Air Force ("**IAF**") has outlined its 10-year modernization plan (2016-2026) that identifies services and technologies which it requires, and aims to share this information with the private sector. About 15% of the projected acquisitions of ₹ 30 lakh million are likely to be sourced from local manufacturers. Also, half of the Indian fighters are due to retire between 2015 and 2024. A government to government ("**G2G**") contract for off-the-shelf purchases of 36 aircrafts is currently under negotiation. The remaining 90 fighters will be developed under Make in India. In its expansion plans, ISRO has announced various projects that will increase demand for specialty materials. For instance, Chandrayaan 2, GSLV MK-III, SAARC Satellite, GSAT-9, and Aditya L1 are some of ISRO's upcoming space missions.

Emphasis is laid on the indigenous design, development, and manufacture of cutting-edge weapons and missiles.

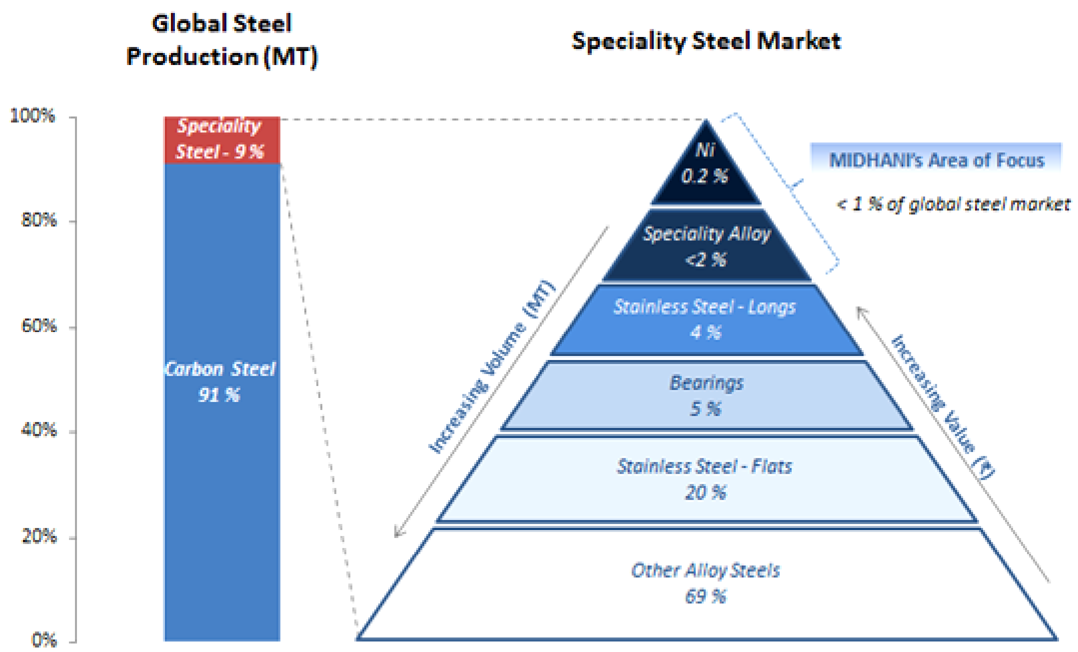
MARKET SEGMENTATION: HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS IN INDIA

Speciality steel accounts for 9% of global steel production. The speciality steel market is accounted by niche alloys such as Ni (0.2% of total market demand for speciality steel), speciality alloy (<2%), stainless steel – longs (4%), bearings (5%), stainless steel – flats (20%), and other alloy steel (69%).

They are being used across all major end user applications that require reduced weight, high strength and toughness and high corrosion and oxidation resistance. Despite high cost when compared to conventional steel and alloy grades, the select products are preferred for high end applications where efficiency and precision is of prime importance.

High value speciality steel, Superalloys and titanium alloy products account for less than one % of the global steel market. These products are essentially low volume-high value products. In India, these products are mainly supplied by Mishra Dhatu Nigam Limited ("**MIDHANI**") headquartered in Hyderabad. MIDHANI has emerged as a 'National Centre for Excellence' in advanced metallurgical production of special metals and Superalloys in India. MIDHANI is a GoI Enterprise, and is one of the few metallurgical plants of its kind in the world specialized in manufacturing wide range of special purpose steel and superalloy products mainly catering to aerospace, defence, atomics, space, energy and other industries that require high precision. MIDHANI is a key supplier, and its products are mainly used in high end engineering applications that require precision and high efficiency to withstand stress, temperature and corrosive atmosphere. With constant developments made over the years in various operational areas, and by utilizing in-house research and development capabilities, MIDHANI has indigenized various critical technologies, alloys and products. This reduced dependence on imports of various critical materials. MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programmes of national importance.

Heterogeneity in the Steel Sector, Tonnes (MT), %

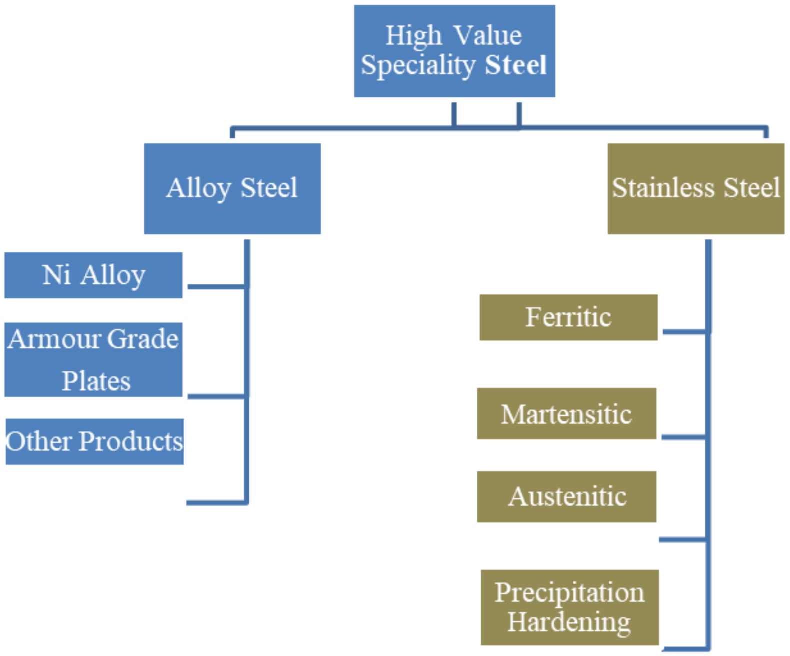


Note: Ni – Nickel Source: MIDHANI

High Value Speciality Steel

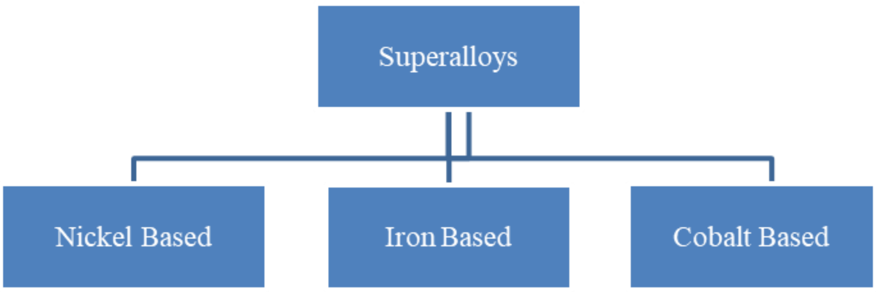
High value speciality steel products are high strength – low alloy steel grades that exhibit better mechanical properties in critical applications where the stress, temperature and corrosion are high. The carbon content in these grades ranges between 0.05% to 0.25% which helps to retain formability and weldability of the metal. The other key alloying elements are manganese, chromium, nickel, copper, niobium and molybdenum. These alloying elements are intended to alter the microstructure of carbon steel mainly to improve mechanical and metallurgical properties. These grades are generally priced high when compared to other conventional alloy grades as they are mainly preferred for special purpose applications.

Major types of speciality steel grades in India that are produced by MIDHANI are as follows:



Superalloy Products

Superalloy products have high creep resistance at high temperature without any deformation along with excellent corrosion and oxidation resistance properties. They typically have an austenitic face-centered cubic crystal structure with a base alloying element of nickel, cobalt, iron and nickel-iron. Superalloys are high performance materials. They can be classified based on their alloying element into three types as shown below. MIDHANI produces all three types of Superalloys.



Titanium Based Alloys

Titanium and titanium based alloys are non-magnetic but have excellent corrosion resistance and light weight, have high tensile strength and toughness even at higher temperatures. Due to this, they find extensive application in aircraft and space crafts. Titanium alloys are used as biomedical implants since it is biocompatible. They are also used in other commercial applications such as cryogenic vessels, process equipment, etc.

MIDHANI is one of the leading manufacturers of special steels, Superalloys and only manufacturer of titanium alloys in India. These are high value products which cater to niche end user segments such as defence, space and power.

MIDHANI has the technological ability to manufacture a wide range of advanced metals and alloys under one roof. MIDHANI is one of the few metallurgical plants of its kind in the world, designed to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems. MIDHANI manufactures unique combinations of metal and alloys. These special alloys have superior mechanical properties and better workability which are essential for special applications in aerospace, power generation, nuclear, defence and other general engineering industries. The products of MIDHANI are key ingredients for strategic sectors in India, which typically cannot be imported from other countries due to its national security related concerns.

MIDHANI has indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials. MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programmes of national importance.

MIDHANI is the only facility in India to carry out vacuum based melting and refining through world class vacuum melting furnace such as vacuum induction melting, vacuum arc remelting, vacuum degassing/ vacuum oxygen decarburization, electro slag remelting and electron- beam melting. MIDHANI has successfully produced Hafnium metal having vital application in the space sector for the first time in the country using state of the art electron beam melting furnace. MIDHANI has manufactured large nickel superalloy based casting through air induction melting route.

Key Buying Factors

The key buying factors for speciality material are technology, quality, price, lead time, and availability of the products. As the select products are used across high technological applications such as aircraft and space craft, the processing methodology and quality are given primary importance while selecting a manufacturer by end users. This assessment involves reputation of the supplier along with track records and brand image.

Parameter	Rating
Pricing	1
Lead Time	2
Availability	3
Technology	4
Quality	5

Note: rankings on a 1-5 scale, where 5 is most important

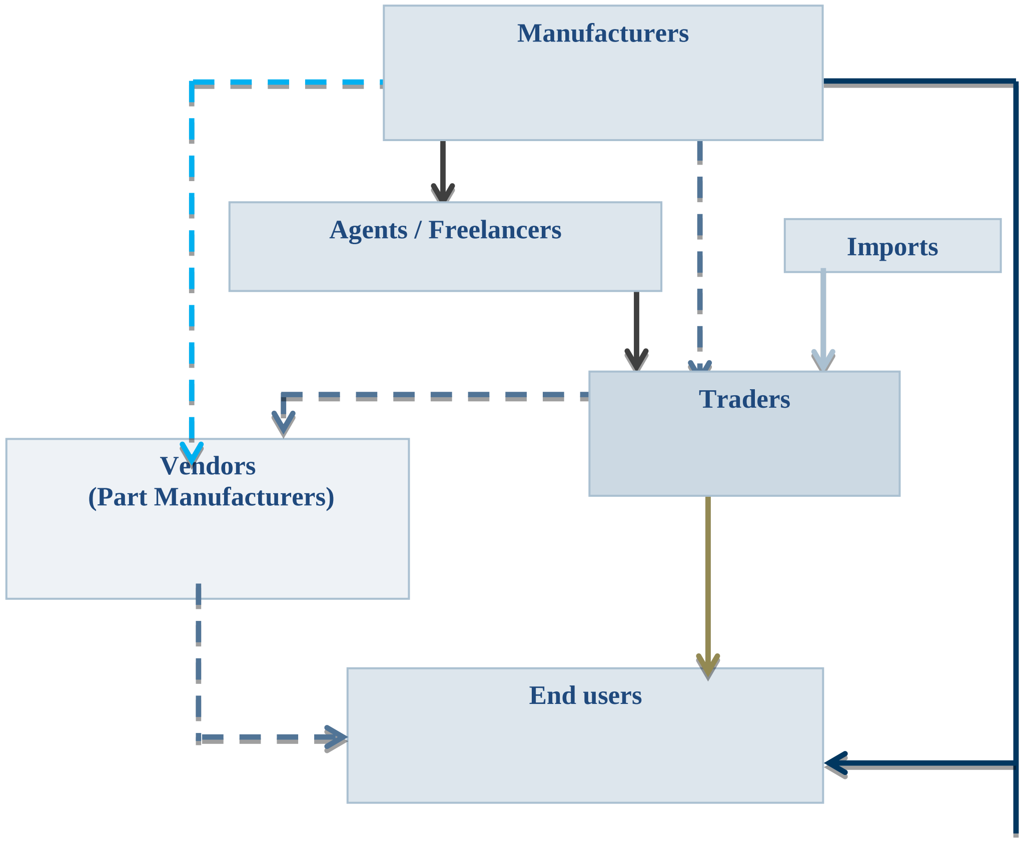
The other factors such as availability and price are mainly applicable for the secondary level purchase through traders, dealer and distributors. The readily available products include both imported products and ready to sell inventory products from the domestic manufacturers. The agents and traders are the intermediaries understanding the availability of the product and the requirement of the customer both domestically and internationally. Price factor is given the least importance as the select products are high end technological products that are customized with respect to the end use mostly by reputed government entity. For secondary level purchase price can be a factor but its influence in the whole market is negligible as more than 95% of the procurement happens directly from the manufacturer.

Key Requisites for Aerospace and Defence Material Procurement

Aerospace and defence component manufacturing focuses on high strength to weight ratio for achieving efficiency, with emphasis on precision. Margin for error remains non-existent due to low tolerance levels in the aerospace and defence industry. High levels of precision lead to longer machining time for components, eventually leading to increased scrap rates. In addition, orders remain in small volumes, due to which productivity throughput and profitability have to be carefully assessed. Therefore, the material and component design remain critical to ensure lightweighting, precision manufacturing, low scrap rates, high productivity, throughput, and fuel efficiency. Most of the materials currently used in aerospace and defence manufacturing are not completely new but are alloys of traditional metals, such as aluminium, titanium, and nickel, for which tooling and testing methodologies are well established in Indian market.

VALUE CHAIN: HIGH VALUE SPECIALITY STEEL, SUPERALLOY AND TITANIUM ALLOY PRODUCTS

The value chain for these product categories are complex involving multiple market participants. The most prominent distribution channel is the direct sales between manufacturers to end users through part manufacturers.



Manufacturers generally plan their production on order basis for the select product category. Manufacturers and distributors maintain inventory to address emergency situations such as replacement for defective quality or immediate requirement of specific grades. Market intermediaries play a pivotal role in selling excess inventory through small orders.

Manufacturers and traders/distributors are certified and authorized by the end users due to the criticality of applications. End users such as OF, HAL etc. are responsible for vendor authorization and product certification for the defence and aerospace sectors respectively. Products should have International Space Organization ("**ISO**") and international quality certifications. The vendor authorization process includes plant visits, maintaining a consistent track record and performing quality checks at testing labs of either manufacturers or end users.

Description about Value Chain Participants

Manufacturers are responsible for supply of raw material as per end user requirements. These manufacturers mainly take orders directly from the part manufacturers and end users. MIDHANI is a key supplier of these product categories in the Indian market, and caters to the defence and aerospace sectors. Traders and distributors play a key role by catering to small and immediate orders with the help of market intermediaries, agents and freelancers, who play a major role in bridging the gap between supply and demand.

Part manufacturers are major component producers that generally have in-house forging and machining facilities. There are cases where end users, such as HAL, have a part manufacturing company operating as a subsidiary that performs forging and machining activities. It is the part manufacturer's responsibility to deliver products to Original Equipment Manufacturers ("**OEMs**") as per the designated quality standards.

The roles and responsibilities of market stakeholders are provided in the below table:

Stakeholders	**Roles & Responsibilities**
Manufacturers (MIDHANI, SAIL and Essar Steel India)	• Obtain orders • Research and development of new products • Production and sale of products • Material testing • Inventory Management
Traders	• Import of products from global manufacturers • Inventory/stock management • Collection of orders through agents and dispatching the material to end users
Market Intermediaries	• Understanding customer requirements • Identifying available inventory with traders and manufacturers • Acting as a bridge between supply and end use
Part Manufacturers	• Vendor selection • Responsible for manufacturing components as per design • Final delivery of components to end users
End Users (HAL, OF, ISRO, DRDO, DAE, etc.,)	• Material selection and product design • Vendor selection for both raw material supply and part manufacturing • Material research and development with manufacturers

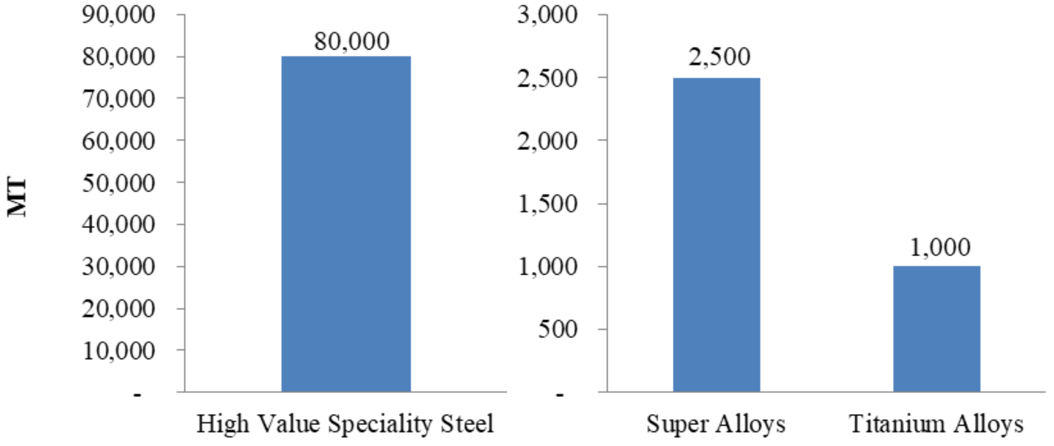
Market Overview: High Value Speciality Steel, SuperAlloy and Titanium Alloy Products

Market Overview: India

As per Frost & Sullivan analysis, the demand for the high value speciality steel, superalloy and titanium alloy is observed to be around 83,500 MT during 2016. The market for the select products has grown at a steady growth of around 5.8% during 2011-2016.

The key end user segments that consume the selected products are aerospace, defence, automotive and energy sector that includes oil and gas and petrochemical segments. Aerospace and defence had the maximum demand contribution with over 70% of the overall demand for high value speciality, Superalloys and titanium alloy products during 2016. The growth in speciality material is mainly due to major investments in aerospace, defence and other industrial sectors in India.

Market Size Estimates for High Value Speciality Steel Market India, 2016, MT



Source: Frost & Sullivan analysis

High value speciality steel grades have the highest demand among the select product category with over 80% demand contribution in 2016. The cumulative demand for high value speciality steel, Superalloy and titanium is expected to witness a minimum growth of around 6.5% during 2016-2021, owing to the proposed investment plans of end user segments.

Key Market Drivers for High Value Speciality Steel, Superalloys and Titanium Alloy Products

Aerospace:

- The Indian aviation sector is likely to see investments of around USD 15 billion during 2016-2020 of which USD 10 billion is expected to come from the private sector. This investment includes addition of 300 business jets, 300 small aircraft and 250 helicopters to the existing fleet of Indian carriers, which in turn will fuel the demand for high value speciality steel, Superalloys and titanium alloys.

- India is rapidly building capabilities to emerge as a preferred destination for Indian maintenance, repair and overhaul ("**MRO**") for aviation. India's current MRO market size is estimated to be around USD 750 million. The market is expected to grow at 7% CAGR to reach over USD 1.5 billion by 2020.

- The Indian space program spearheaded by the ISRO is engaged in developments of its future space science missions like Chandrayaan-2 and Aditya-L1, amongst expanding many of its current projects.

Defence:

- With the increase in asymmetric warfare, the requirement and allocation for Defence in the Union Budget 2016-17 is approximate USD 34.53 billion. With more than 31.1% of its total defence budget on capital acquisitions, this will increase the demand for armored grade steel and other speciality steel for defence equipment.

- India is expected to emerge as the third-biggest country in terms of defence-related expenditure from its current (eighth) position by 2020, especially through indigenously designed, developed and manufactured ("**IDDM**") '*Make in India'* initiative to encourage domestic manufacturers to produce high value speciality steel and superalloy grades and supply them to defence and aerospace.

- Indian defence sector acquiring newer technologies in missiles, ammunition, warships and other military equipment like unmanned aerial vehicles ("**UAVs"**) will boost the demand for select product type and grades during the next four years.

Other Major End User Segments:

- As per Automotive Mission Plan 2016-2026 ("**AMP**"), Indian auto component industries could attain an impressive USD 200 billion in revenue by 2026, with exports of USD 80 billion. Contribution of auto component Industry in India's GDP will account to as much as 5-7% by 2026.

- Oil & gas (includes petrochemical & refinery): contributes over 6% of the overall demand for speciality steel and superalloy products for process equipment, process pipe and piping systems, and boilers. As per the 12th Five Year Plan, oil production would increase to 844 MTOE by 2021-22, with an investment of around USD 43.69 billion across the value chain that will help the demand for select products to grow at around 5% for oil and gas sector.

- The Indian auto component industry is expected to achieve USD 200 billion in revenue by 2026, with exports of USD 80 billion. Contribution of auto component industry in India's GDP will account to as much as 5% to 7% by 2026.

- As India grows its stance as an industrial and knowledge economy, energy demand will grow to 1,509 MTOE in 2030, double the current demand. India will need to import nearly 1/3rd of its demand in 2030. India will also turn to renewable sources, and its generation could become a formalized part of the grid which will fuel the demand for high value speciality steel, Superalloys and titanium alloy products.

- The chemical industry is an integral component of the Indian economy and has the potential to grow at 9% per annum to reach USD 214 billion by 2019. The pulp and paper industry is growing at a healthy rate of around 6.8% during 2014-16 and is expected to continue at the same rate fueling the demand for PH grade stainless steel products.

Key Growth Restraints for High Value Speciality Steel, Superalloys and Titanium Alloy Products

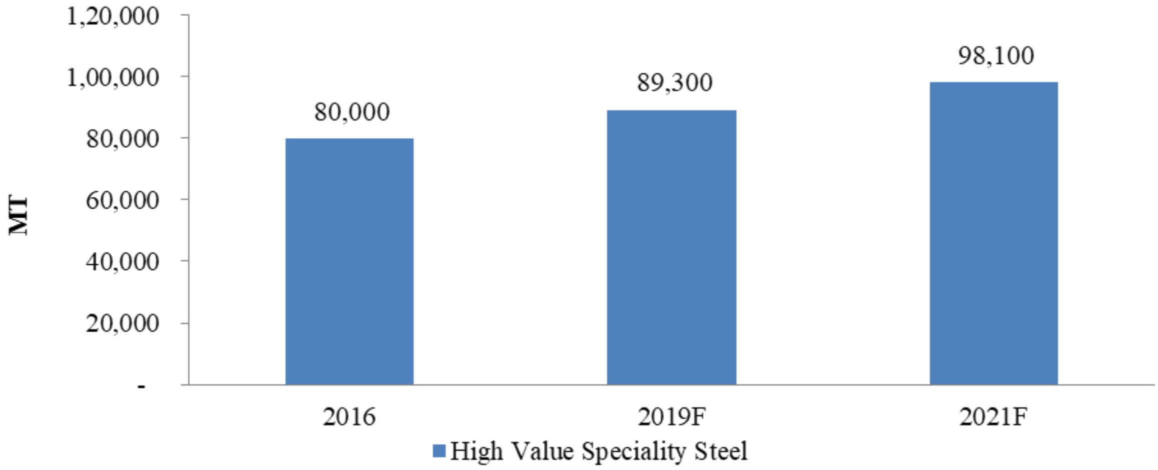
- Production occurs on order basis in small batches; manufacturers carry risks relating to cancelled orders due to unexpected failures occurring with end users.

- Continuous technological upgradation and intermittent domestic demand for the select products makes production planning, inventory management and lead time extremely challenging.

<u>Market Size Estimates and Forecasts for Speciality Steel in India</u>

From Frost & Sullivan analysis, the overall demand for select high value steel grades in India was observed to be around 80,000 MT in 2016. According to Frost & Sullivan, high strength Nickel alloy accounted for a demand of around 50,000 MT as it is mainly preferred in automotive and auto component manufacturing sectors. The demand for high value speciality steel is expected to witness a positive growth rate of around 4.2% during 2016-2021 mainly due to growth in auto and auto component manufacturing segments in India.

Market Size and Forecast for High Value Speciality Steel Products in India, 2016-21, MT



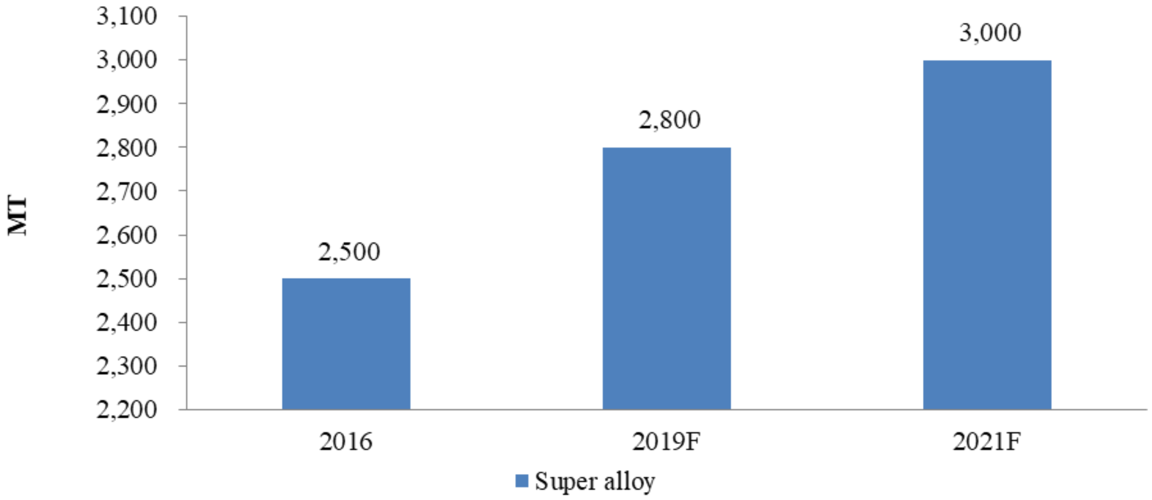
Source: Frost & Sullivan analysis

From Frost & Sullivan analysis, the demand contribution of other speciality steel grades such as stainless steel and armor grade steel was observed to be around 18,000 MT and 12,000 MT during 2016. Market for armor grade steel is anticipated to grow at a healthy rate of around 4.5% owing to new *Make in India* policy and proposed defence investments. Precipitation hardened stainless steel grade ("**PH stainless steel**") will drive the market growth for speciality stainless steel grades as it finds application in major end user segments such as gas turbine power plants, process piping application in chemical industries and oil and gas sectors. The demand for speciality stainless steel grades is expected to grow at around 3.5% during the next five years.

<u>Market Size Estimates and Forecasts for Superalloy Products in India</u>

Supported by growth in key end user segments such as aerospace, defence and industrial component sectors, Frost & Sullivan observed the demand for superalloy products in India to be around 2,500 MT. Nickel based alloy products accounted for the main demand during the year 2016. Other major grades of Superalloys such as iron and cobalt based Superalloys were observed to have a minimum demand of around 250 MT and 225 MT respectively.

Market Size and Forecast for Superalloys in India, 2016-2021, MT



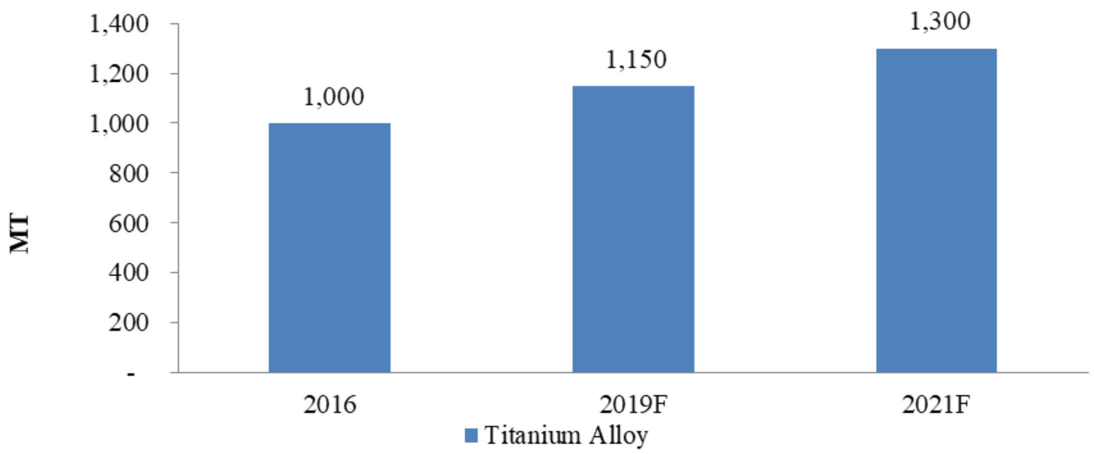
Source: Frost & Sullivan analysis

The demand for Superalloys is expected to grow at around 9.1% to reach 3,000MT during 2016-2021, owing to the planned investments in aerospace and defence sectors.

Market Size Estimates and Forecasts for Titanium Alloy Products in India

In India, the demand for titanium is mainly dependent on overseas markets to source titanium sponge due to inadequate availability of high quality material. Frost & Sullivan observed that the demand for titanium alloy products was around 1,000 MT in 2016, mainly catering to aerospace and defence sectors in India. The key customers for titanium alloy grades are ISRO, HAL and DRDO who prefers to procure on project basis, only from authorized vendors. Major end-users such as ISRO, HAL prefers to procure both from domestic and imported material (mainly from USA and Europe) based on both quality and availability of the material.

Market Size and Forecast for Titanium Alloy Products in India, 2016-2021, MT



Source: Frost & Sullivan analysis

From Frost & Sullivan, the demand for titanium alloys is expected to grow at around 5.1% to reach 1,300 MT in 2021, owing to the investments in aerospace, defence and nuclear power plants.

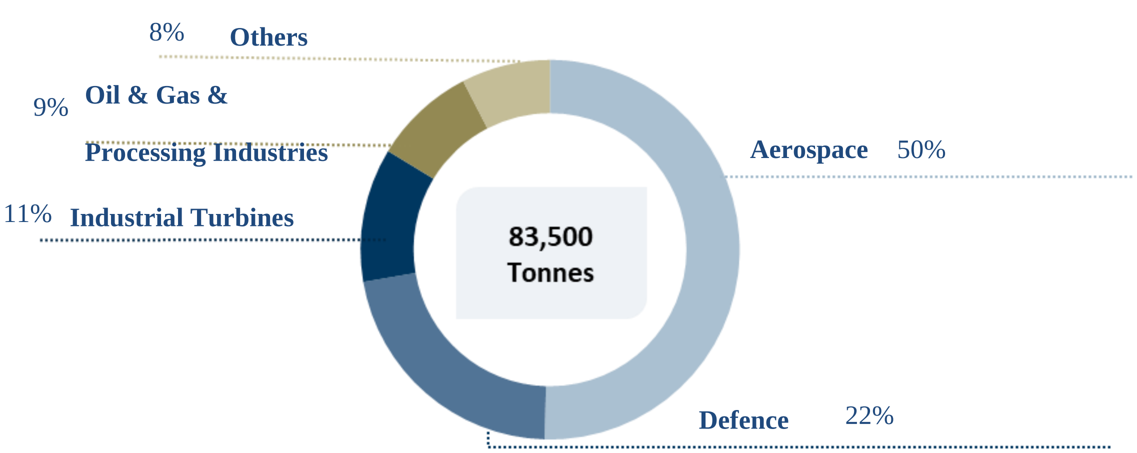
Market Split by Key End Use Segments

Aerospace and defence sectors were the primary consumers of high value speciality steel, Superalloys and titanium alloy products in India during 2016. Aerospace includes aircrafts and space crafts fabricated in India by HAL, NAL and ISRO. The select products find application both in structural applications such as air frames, ducts, housings etc., and also for manufacturing functional components such as components in transmission & breaking systems, exhaust valves, turbine rotors, fasteners and other engine components. The demand contribution in the aerospace segment is estimated to be around 50% of the overall demand for the Special metals and alloys.

Defence sector is the second largest end user segment for high value alloy steel, Superalloy and titanium alloy products in India. All the major procurement for defence for domestic manufacturing is done through OF located across the country. The responsibility of procuring raw material such as steel and other alloys is done by OF only through approved vendors. The select materials find application in armoring, marine components, electronic housings and other defence systems. The demand contribution of Defence sector for the specified product categories is estimated to be around 22% during 2016.

End user breakup for high value speciality steel, Superalloy and titanium alloy in 2016 is shown below:

End User Classification for Select Products in India, 2016, %



Source: Frost & Sullivan analysis

Industrial turbines are gas turbines that are used across end user segments such as energy, chemical and pharmaceutical industries. The turbine blades exhaust systems and other functional components use speciality steel, Superalloy and titanium alloy as the raw material. The demand contribution for industrial turbines was around 11% followed by components used in oil & gas and other processing industries contributing around 9% of the total during 2016. Other end user segments include electric and electronic industry, surgical equipment and other bio medical implants, bi-metallic engine valves for diesel and other automotive applications.

Indian Market Outlook

The demand for high value speciality steel, Superalloys and titanium alloy is estimated to be around 83,500 MT with speciality steel having the maximum contribution of around 96% followed by Superalloys with 3% demand contribution and titanium accounting for 1% during 2016. The market for special metals and alloys is mainly driven by growth in aerospace and defence sectors that are expected to grow at a CAGR of around 8% during 2016-2021. The categories requirement for special metals and alloys are expected to witness a cumulative demand growth of around 9% owing to major investments proposed in aerospace, defence and other industrial manufacturing sectors during 2016-2021.

Note on Indigenization

In April 2016, the GoI revised the Defence Procurement Procedure ("**DPP**") guidelines to further streamline, simplify and institutionalize the defence procurement process in order to give a boost to "Make in India" initiative. The key features of DPP include:

- A new category for purchase 'Buy (Indian-IDDM)' has been introduced in the DPP.
- Preference given to 'Buy (Indian)' and 'Buy and Make (Indian)' categories of capital acquisition above 'Buy (Global)' & 'Buy & Make (Global)' categories.
- The 'Make' procedure has been simplified with funding of 90% of cost of development by the government to Indian industry and reserving projects with development cost not exceeding ₹ 100 million (government investment) and ₹ 30 million (industry investment) for Micro, Small & Medium Enterprises ("**MSMEs**").

BRIEF OVERVIEW: KEY END USE SEGMENTS IN INDIA

India is home to the fourth largest armed forces worldwide (in the 2017 Military Strength Ranking by the Global Firepower list). India's defence industry is striving to become a cutting edge, technology-savvy, self-sufficient, and world-leading industry. Between 2012 and 2016, India imported more arms than any other country worldwide, accounting for almost 13% of all global arms deliveries. However, only 30% of the current defence requirements of the nation are met through domestic producers.

Under the *Make in India* programme, the Government is looking to shift its position from being one of the largest defence equipment importers to manufacturing country with enhanced domestic capabilities. The 2011 DPP was amended in June 2014 to encourage the indigenous production of defence equipment. The new policy is focused on increasing the domestic market capability to support defence by boosting investment, expanding manufacturing, supporting enterprise, improving technology levels, and increasing economic growth in India. By 2027 the government plans to achieve approximately 70% indigenization in defence purchase. To this end, the government has already taken steps by budgeting ₹ 915,800 million for defence capital expenditure for Fiscal 2018 which is 25% of the nation's overall defence budget. Further, India aims to export defence equipment worth ₹ 128,000 million by 2019 to countries such as Vietnam, Mauritius and the UAE among other nations.

The Indian government is increasing its defence expenditure and is focusing on modernizing its armed forces. Homeland security is a key area of focus for both central and state governments. There have been ongoing measures to modernize the police forces with state-of-the-art protective gear, weaponry, and communications equipment. The budget for the Ministry of Home Affairs is expected to grow from ₹ 715,000 million in 2014 to nearly ₹ 1,300,000 million by 2018.

The FDI limit has increased to 100% from 26%, which will drive investments in the defence industry. The growing capital acquisition budget of the Indian defence industry will continue to attract several global vendors to participate in the bidding process for defence contracts.

The key objective of the proposed simplification of the defence offset policy is to encourage development through capital acquisitions. Offsets encourage foreign investors and private participants to form joint ventures and sign MoU, thereby providing opportunities for further expansion of manufacturing capabilities. The mandatory offset policy requires a minimum of 30% of defence equipment procurement through ToT, direct purchase of components and systems from the defence industry, or by creating specific manufacturing facilities and investing in skill development and training.

<u>Army</u>

The Indian Army is the largest part of the defence force. The Indian defence industry needs to replace its ageing military systems and equipment acquired during the Soviet era, which will fuel strong growth in the industry during the forecast period as the government aims to procure a large amount of military hardware. During Fiscal 2017 Indian Army signed eight contracts at an overall cost of ₹ 118,012.10 million, for howitzers, missiles, rocket systems, ballistic helmets and other equipment. The OFB comprising of 41 Indian OF has planned to reduce imports of equipment for the Indian Army from the present 60% to 30% by 2020. The plan involves indigenization of key components and spares of tanks and other weapons systems. The plan comes in synchronization with the aim of the MoD to reduce import bill and promote domestic production of military equipment.

Around 650 aircraft are estimated during the 12th Five Year Plan as compared to 300 in the 11th Five Year Plan. NITI Aayog, the replacement to the Five Year Plans from Fiscal 2018, is expected to also include defence.

Navy

The Indian Naval Indigenization Plan 2015-2030 is a 15-year indigenization plan aimed at facilitating the development of systems and equipment through the DRDO and domestic companies. As per this plan, some of the components that need indigenization include aircraft lifts, marine gearboxes, canned motor pumps, air independent propulsion, surface to air missile and surface surveillance radar, etc.

The Indian Navy expects to become a well-equipped maritime force which will include aircraft carriers and various types of combatants. It is looking to purchase 123 naval multirole helicopters for search-and-rescue and anti-submarine warfare roles in the 9 to 12.5 tonnes category, valued at more than USD 7 billion (₹ 456,780 million).

Air Force

Established in 1932, the IAF is part of the Indian Armed Forces and is the world's fourth largest air force with 170,000 personnel as on March 2017. The IAF is on a fast-track for modernization. To this end, it plans to induct heavy lift helicopters, attack helicopters, Rafale aircraft, air defence Radars, surface to air guided weapon ("**SAGW**") in the future. In an effort to support the *Make in India* initiative and obtain self-reliance in the defence production sector, priority has been given to equipment produced in India.

The IAF has outlined its 10-year modernization plan (2016-2026). The plan identifies services and technologies which IAF requires, and aims to share this information with the private sector. The plan currently lists 174 components such as 3D printing technology, rotor blades and aircraft tires which the IAF would require over the next 10 years. About 15% of the projected acquisitions of ₹ 30 lakh million are likely to be sourced from local manufacturers. A large order of aircraft, including medium multi-role combat aircraft ("**MMRCA**") and light combat aircraft ("**LCA**"), armoured vehicles, and equipment is expected in the near future.

Defence organizations are adapting the engineering services outsourcing ("**ESO**") model to increase profitability. Foreign companies are establishing captive centres in India to reduce cost, in addition to achieving their offsets. R&D support from the government is also aimed at encouraging more such activity and private sector participation.

Aerospace

The aerospace industry in India is expected to grow to USD 21.10 billion by 2022, at a CAGR of 14.8%. India's aerospace capabilities are likely to expand; additional capabilities are expected to generate significant revenue by 2022. Manufacturing in the composites domain is likely to be one of the main activities in the future. The demand for better and more-efficient engines is anticipated to encourage the manufacturing sector. The growth is likely to remain steady for the first five years; thereafter, it is expected to increase at a greater pace, owing to the rising outsourcing activity by OEMs to countries such as India, which have developed the required capability and technology.

Half of Indian fighters are due to retire between 2015 and 2024. India had issued a tender to purchase 126 MMRCAs. After testing and evaluation ("**T&E**") and selection, the tender was cancelled due to disagreements. A G2G contract for off-the-shelf purchases of 36 aircrafts is currently under negotiation. The remaining 90 fighters will be developed under Make in India.

In its expansion plans, ISRO has announced various projects that will increase demand for specialty materials. For instance, Chandrayaan 2, GSLV MK-III, SAARC Satellite, GSAT-9, and Aditya L1 are some of ISRO's upcoming space missions.

Missile

India's defence ministry initiated the Integrated Guided Missile Development Programme ("**IGMDP**") in 1983 and programme reached completion in 2012. Managed by the DRDO, the programme helped develop missiles such as Prithvi-II, Agni II, Brahmos, Dhanush and Astra among others. Beyond precision weapons, others such as visual range missiles, anti-ship missiles, and smart bombs are being purchased. Emphasis is laid on the indigenous design, development, and manufacture of cutting-edge weapons and missiles.

Energy

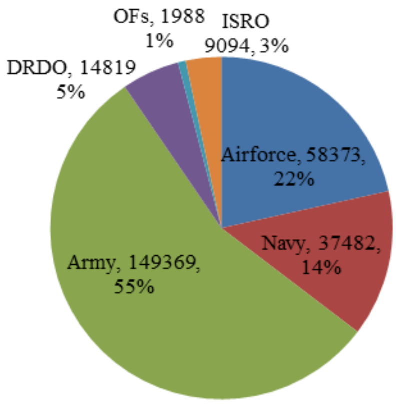
In recent years, the demand for electricity has increased rapidly and is also expected to increase further over the upcoming years. By 2019, the aim of the government is to produce two trillion kilowatt hours of energy. This would mean doubling the present manufacturing capacity to provide electricity for commercial, agriculture and industrial use. Till 2022, the Indian power sector has potential to attract investment to the tune of ₹ 15 billion, thereby offering opportunities in power generation, transmission and distribution.

Impacting Regulatory Issues and Trends

Defence Budget Allocation Trends

The total allocated defence budget estimates for Fiscal 2018 stood at ₹ 2,623,900 million and is expected to clock a CAGR of 5.1% between Fiscal 16 and Fiscal 2018. In India, the Army receives the largest share of the total Indian defence budget expenditure due to its large personnel base.

Share of Defence Services in Defence Budget, Fiscal 2018, ₹ Crores, %



In Fiscal 2018, the budget allocated for the Army stood at ₹ 1,493,690 million, the Air Force at ₹ 583,730 million, the Navy at ₹ 378,420 million, OF at ₹ 19,880 million, ISRO stood at ₹ 90,940 million, and DRDO at ₹ 148,190 million.

Defence Market: Policy Developments

- FDI in defence has been revised to 49%, with upto 100% in certain strategic cases involving technology transfer, resulting in improved technology, product manufacturing, and supply chain sourcing opportunities.

- Initially, FDI proposals had to be approved by the Foreign Investment Promotion Board ("**FIPB**"). The FIPB is now disbanded. The sanction of the Cabinet Committee on Security for defence projects was mandated earlier. This has also been scrapped. Indian companies now require sanction from the DIPP before manufacturing listed items related to defence. More than 50% of the items have been taken out of the negative list.

- A MoD concept note has proposed an offset policy for foreign OEMs to invest in venture capitalist funds for upto 25% of the offset obligations.

- Earlier foreign OEMs were locked in once they were selected as an offset partner. Now, the foreign OEM is free to change offset partners if necessary.

- Previously, foreign companies were locked into fixed currency exchange rates to Indian primes negotiating firm priced contracts in rupees. This issue is now addressed under the new policy regime.

- The government is finalizing a "strategic partnership" policy, whereby Indian companies with strong defence manufacturing capabilities will be preferred by the government. These firms will automatically be the partner of first choice for foreign OEMs in their respective fields.

- The MoD has reiterated its commitment to liberalizing exports.

- The private sector currently has access to government testing facilities.

- MoD has assured industry majors that procurement decision-making timelines will be cut from 6–8 years to four years or less.

- India will not implement blanket blacklisting anymore on graft charges, as it had led to shortages in ammunitions and decreased offense capabilities in the past.

Defence Market: Procurement Categories

The method of procurement adopted by the Indian defence establishment depends on a combination of factors such as indigenous capabilities, offset requirements, government policies, and national exigencies. It is upto the establishment to choose the form of procurement that fits best for the equipment under consideration. The DPP 2016 lists three main procurement methodologies, and industry stakeholders should be familiar with the intricacies to gain an advantage when competing for contracts.

Defence Market: Future Trends

In line with India's economic growth and its increasing global prominence, its defence is expected to maintain strong growth. Between 2015 and 2020 the defence cumulative spending is estimated to be ₹ 2,29,31,500 million, of which new armaments spending is estimated to be ₹ 86,30,500 million. Procurement of new equipment from domestic sources is estimated to increase between 2015 and 2030 from 34% to 55%. By Fiscal 2025-2030, the defence spending is estimated to hit ₹ 4,19,34,700 million.

Estimated Defence Spending

In ₹ Cr	**2015-2020**	**2020-2025**	**2025-2030**
Defence Spending	22,93,150	32,04,150	41,93.470
Capital Expenditure	10,15,450	15,64,900	19,66,350
New Armaments	8,63,050	7,64,250	16,71,400
Of which: *Imported Equipment Spend*	66%	58%	45%
Domestic Equipment Spend	34%	42%	55%

Modernization plans of the defence industry, the increased focus on homeland security and India's growing attractiveness as a defence-sourcing hub because of its *Make in India* programme are expected to bring many opportunities to sectors such as manufacturing, IT systems and solutions, and MRO.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 17 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

As a result of national security related concerns, certain material information in relation to our business and operations has been classified as 'confidential' by the MoD and us. Pursuant to the SEBI Exemption Letters, we have not (i) disclosed such information in this Prospectus; or (ii) provided such information to the BRLMs, the legal counsels and other intermediaries involved in this Offer. We cannot assure you that this Prospectus contains all such material information necessary for investors to make an informed investment decision. For further information, see "Risk Factors" on page 17.

Overview

We are one of the leading manufacturers of special steels, Superalloys and only manufacturer of titanium alloys in India. These are high value products which cater to niche end user segments such as defence, space and power. Our Company was established in the year 1973, with an aim of achieving self-reliance in the research, development and supply of critical alloys and products of national security and strategic importance. We have emerged as a 'National Centre for Excellence' in advanced metallurgical production of special metals and Superalloys in India. We have the technological ability to manufacture a wide range of advanced metals and alloys under one roof. With the growth of our business and operations, we have achieved the status of a Mini Ratna, Category-I company in 2009.

We are one of the few metallurgical plants of its kind in the world, designed to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems. Our Company manufactures unique combinations of metal and alloys. These special alloys have superior mechanical properties and better workability which are essential for special applications in aerospace, power generation, nuclear, defence and other general engineering industries. Our products are key ingredients for strategic sectors in India, which typically cannot be imported from other countries due to its national security related concerns.

We manufacture special steels like martensitic steel, ultra high strength steel, austenitic steel and precipitation hardening steel. We manufacture three varieties of Superalloys – nickel base, iron base and cobalt base. We also manufacture varieties of titanium alloys. Most of the orders executed by our Company are in the nature of an import substitute. We have the competence of developing and manufacturing customised alloys tailor-made to suit the specific requirements of customers for their critical applications. Presently, we conduct our operations at our manufacturing facility in Hyderabad. We are in the process of setting up two new manufacturing facilities in Rohtak and Nellore. We have several certifications including the ISO 9001:2008 – Quality Management System and AS 9100 C for manufacturing and supply of metals and alloy products. We have our research and development laboratory which is accredited to National Accreditation Board for Testing and Calibration Laboratories.

With the constant developments made over the years in various operational areas, by utilizing in-house research and development capabilities, our Company indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials. Our Company has been handling challenging developmental tasks, taking a lead position in indigenisation of critical technologies and products to render support to several programmes of national importance.

We have highly qualified and experienced management. Our Chairman and Managing Director is highly experienced in the field of metallurgy with an experience of over 35 years. For further details, see *"Our Management"* on page 119 of this Prospectus. He received the National Metallurgist Award, 2016 in recognition of his outstanding leadership foresightedness and contributions to the growth of steel industry. For further details of awards we have received, see "*History and Certain Corporate Matters – Awards and Recognition*" on page 115.

Our Company has continuously posted profits in the last five Fiscals. On a restated basis, our total revenues grew at a CAGR of 9.23% from ₹ 5,851.89 million for Fiscal 2013 to ₹ 8,330.90 million for Fiscal 2017 and our PAT grew at a CAGR of 7.68% from ₹ 939.55 million for Fiscal 2013 to ₹ 1,263.13 million for Fiscal 2017. Our Company has earned a PAT of ₹ 273.01 million on a total revenue of ₹ 2,206.61 million for the six months period ended September 30, 2017.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

Most advanced and unique facilities

Our Company is the only facility in India to carry out vacuum based melting and refining through world class vacuum melting furnace such as vacuum induction melting, vacuum arc remelting, vacuum degassing/ vacuum oxygen decarburisation, electro slag remelting and electron- beam melting. It enables our Company to venture new markets with innovative and advanced products.

Our Company has successfully produced Hafnium metal having vital application in the space sector for the first time in the country using state of the art electron beam melting furnace. Also, we have manufactured large nickel superalloy based casting through air induction melting route.

Thus the wide spectrum of advanced melting facilities enables us with the flexibility to provide our customers with high quality products which meet their stringent quality requirements.

Capability to manufacture wide range of advanced products

We are a manufacturer of special steels and stainless steels, Superalloys (nickel base, iron base and cobalt base), commercially pure titanium and titanium alloys, soft magnetic alloys, controlled expansion alloys, heat resistance alloys, special purpose alloys, refractory metals and other alloys in different shapes, properties and sizes.

We have process capabilities across the product manufacturing value chain, including melting, forging, rolling, wire drawing, investment casting, machining and quality testing. We are a modern and integrated metallurgical plant for manufacturing a wide spectrum of critical alloys in variety of forms such as ingots, forged bars, rings hot rolled sheets and bars, cold rolled sheets, strips and foils, wires, castings, fasteners and tubes using state of the art production facilities for defence, space, aeronautics, power and thermal power, electronics, tele-communications and engineering industries and other sectors in India. We monitor all our processes, right from the receipt of raw materials, manufacturing to packaging of products. In addition, we also use high quality/pure form of raw materials to manufacture alloys. This helps us to ensure high quality of our manufactured products and control our production costs. Our variety based capacities also allow us to service customer requirements in a timely and efficient process with the flexibility to produce different ranges of customised products to our customers. Our Company is in a unique position to leverage both economies of scale and scope as we are capable of processing different alloys. Some of the alloys that we manufacture have properties higher than international standards to meet specific requirements of our customers.

Our wide range of products and ability to meet the specific customer needs enable us to successfully service core strategic sectors such as defence, nuclear/ power and aerospace.

Strong long term customer relationships

We have a strong and an established relationship with our customers. We have partnered with many of our key customers in the product development process, enabling our products to meet the exact specifications provided by the customers and to ensure repeat orders. Our relationships with our major customers, especially in core strategic sectors, have existed for more than three decades. Our Company undertakes an in house survey for customer satisfaction. The results of customer satisfaction index during 2012 to 2015 is more than 3.5 on the scale of 1 to 5.

Going forward, we believe that there is likely to be an increase in demand for special metals and alloys on account of government initiatives such as Make in India that will boost defence production and heavy equipment manufacturing in India, which will indirectly lead to an increase in demand of our products. We intend to continue to leverage these long standing relationships and continue to grow our business operations in line with these expectations.

Our focus on quality is exemplified through the ISO 9001:2008, AS 9100C and NABL certifications that we have obtained with respect to our manufacturing processes. Our Company is committed to enhancement of customer satisfaction by continually improving the effectiveness of quality management system to drive organisational performance. We believe that completing our customer's projects in a timely manner whilst upholding the highest standards of quality, is the most effective manner in which we can develop and maintain strong relationship with our customers. We intend to strive to exceed client expectations during every stage of the project life cycle. This, coupled with our flexibility in setting prices for our products, is a significant advantage to our business. The trust of our customers is manifested through customer funded capital investments at our Company. As on September 30, 2017, customer funded assets constitute ₹ 660 million out of the total gross block of our Company of ₹ 3,653.94 million.

Research and development based technology development

Our business requires us to keep abreast with the latest developments in related fields of science and technology. To be at par with the global technological progress, we place strong emphasis on technology of products, technology of process and technology of equipment. Our in-house research and development team works towards improvement of product quality and processes innovation. For instance, our Company has reused titanium scrap to make ferro titanium for Indian market. We have manufactured the adour engine disc through isothermal forging process for aerospace sector under Make in India programme. We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes.

We have an in-house research and development team comprising of 14 officers who have in-depth knowledge of the design and engineering of special metals and alloys. Our in-house research and development team works towards improvement of product quality and processes innovation for meeting the expected demands at acceptable costs. We outsource technological knowledge from various countries. We have a dedicated technology advisory board which guides us to the required technology for the development of new products. We believe that we have developed strong product design capabilities, which allows us to service our customers more effectively and in a timely manner. In 2016, we have established a new melt shop with electric arc furnace, ladle refining furnace, vacuum degassing facility, new ring rolling mill and higher capacity forge press apart from echo system of making value added products like tubes, fasteners, etc. We have in-house metallurgical laboratories to cater to the testing required for our products. Given the strategic and sensitive nature of our customers' operations, it is vital for us to ensure delivery of high quality products to our customers. Being a manufacturer of advanced metals and alloys, we undertake extensive quality control tests of our products as well as of the raw materials to ensure only products of desired quality are supplied to them.

We have received several awards. For further details of the awards received from our customers, please see *"Our Business – Awards and Recognition" on page 107.*

Highly Qualified and Experienced Management and Management Systems

We are led by a management team and staff with employees who have significant experience. Through their commitment and experience, our management team has grown our business in India. We have a strong metallurgical team of key employees having the ability to utilise the metallurgical knowledge. For further details about the experience and qualification of our management, please see *"Our Management" on page 118.*

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have therefore been focussed on the recruitment, training and retention of a highly skilled employee base. As of January 31, 2018, we have 852 employees. Our enterprise resource planning and IT enabled systems (procurement, human resources and standalone IT enabled systems) has helped us to develop and adopt new technologies, maintain high productivity and ensure path dependent learning.

Our Key Strategies

The key elements of our strategy are as follows:

Growth and modernisation

Our Company seeks growth (through both greenfield and brownfield) and is based on the development of technology for customer and product. Some of our new projects planned in the next three years include: (a) proposal for construction of spring manufacturing plant for manufacture and supply of helical compression springs for supply to the Railways; and (b) development of aero quality carbon fibers.

We also aim for geographical expansion of our Company and to operate from multiple locations. At present, our Company intends to start two new manufacturing units based in Rohtak and Nellore. Our Company has signed a memorandum of understanding for setting up a joint venture with NALCO for production of high end value aluminium alloys products at Nellore. The manufacturing unit in Rohtak will be set up by the Company itself for manufacturing of armour products. Our Company is also in the process of upgrading and modernizing its existing manufacturing equipments and facilities.

We seek to enter into the new markets of oil and gas, mining, power, railways and chemical and fertilizers. Our Company is also making efforts to enter into export market which we believe will enable us to achieve higher targets.

Increased focus on research and development

We believe that innovation in our production processes coupled with enhanced efficiency and utilisation of resources is the key to reduce production costs. We intend to leverage our design, engineering and manufacturing capabilities to increase our focus on advanced technology products. We have entered into collaborations with Indian and international research institutions and organisations to gain access to the required know-how for developing certain key advanced technology products. We will continue to pursue newer collaborations which allow us to add to our product portfolio. We also intend to focus on new process based technologies such as closed–die forgings, investment castings, isothermal forging and using special alloys to further improve our existing products and add new products to our product portfolio. Such new products include carbon fiber, tungsten powders and armours which find use in strategic sectors.

Our Company aims for forward and backward integration by manufacturing components/ value added products. In terms of forward integration, we manufacture special electrodes from the wires manufactured by us, as well as special fasteners from the materials manufactured in- house in the Company's manufacturing unit. With respect to backward integration, our Company has undertaken projects such as powder production, metal alloys powders and recovery of metals from scrap.

Strengthen our human capital

Our human capital contributes significantly to our business operations and we believe that our employees and workers are our invaluable asset essential for our success. We rely upon them to operate our modern equipment, undertake various complex tasks at our manufacturing facilities and uphold industry-leading quality standards whilst catering to our customers' orders in a timely manner. As we build our human resource systems and processes, we intend to continue to focus on improving health, safety and environment for our employees and provide various programs and benefits for their wellbeing and skill-enhancement. We have undertaken following steps to motivate talent in our Company:

- Dr. Tamhankar's trophy for young managers below 35 years for encouraging new ideas.
- Employee suggestion scheme.
- Best employee of the year award in each category executive, non-unionised supervisor, worker and woman.

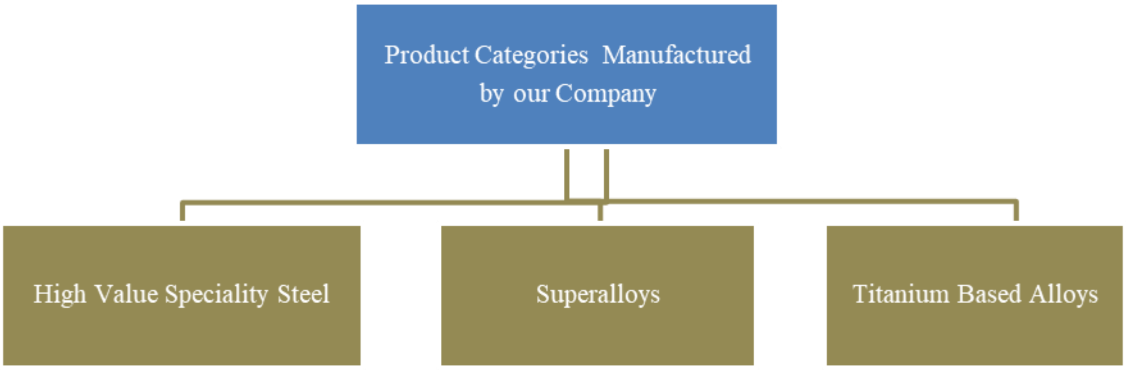
The value added per employee in the last five years has seen a growth from ₹ 3.7 million in Fiscal 2013 to ₹ 7.2 million in Fiscal 2017.

We intend to develop entrepreneurship skills and further strengthen our workforce through more comprehensive training programs, creating a core of skilled workers for our future growth by providing them with a conducive, safer and healthier working environment. Our Company, as a signatory to the United Nations Global Compact ("**UNGC**"), is committed to the UNGC's ten principles in the areas of human rights, labor, environment and anti-corruption.

Our Products

Our Company manufactures a wide range of critical and complex alloys.

The product categories can be classified into three types - high value speciality steel, Superalloys and titanium based alloy products as shown below:

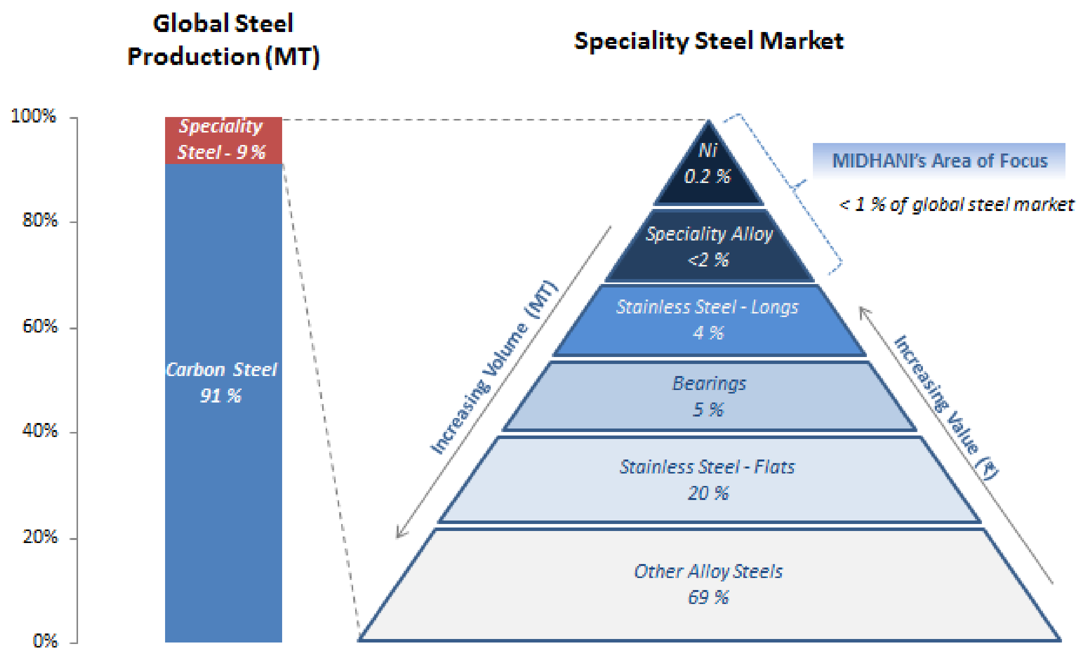


High Value Specialty Steel

High value specialty steel products are high strength low alloy steel grades that exhibit better mechanical properties in critical applications where the stress, temperature and corrosion is high. The carbon content in these grades ranges between 0.05% to 0.25% which helps to retain formability and weldability of the metal. The other key alloying elements are manganese, chromium, nickel, copper, niobium and molybdenum. These alloying elements are intended to alter the microstructure of carbon steel mainly to improve mechanical and metallurgical properties. These grades are generally priced high when compared to other conventional alloy grades as they are mainly preferred for special purpose applications.

Presence in niche steel market

The total global steel production constitutes of 9% special steel and 91% carbon steel. Out of the 9% speciality steel, we focus on specialty alloys and Ni which constitutes approximately 2.2% of the specialty steel market. Despite low volume market, this market is less cyclic and requires highly stringent quality and accordingly commands a price premium.

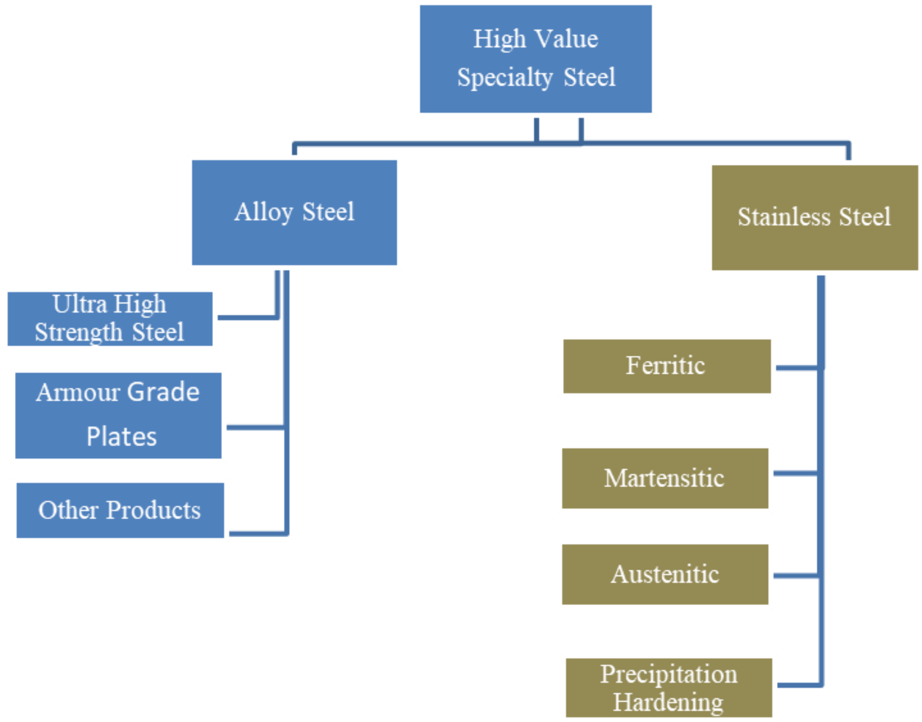


Note: Ni – Nickel

In Tonnes (MT), %

Source: Industry report

Major types of specialty steel grades in India that are produced by our Company are as follows:



- **Ultra High Strength Steel:** Ultra High Strength Steel has yield strength between 1400 and 2400 MPa with high strength, excellent toughness and weldability without losing their malleable nature, and it belongs to the ultra-high-strength materials category.

- **Armor Grade Steel Plates:** Armor grade steel plates are used for bullet proof application to ensure the safety of individuals and/or contents transported from one place to another. It possesses excellent hardness and toughness along with high velocity projectile protection for vehicles in combat situation. The key end user application includes both defence vehicles and commercial vehicles. Generally the walls, doors, and the ceiling of these vehicles use armour grade steel to increase the ballistic resistance of the vehicle. The functional components of the vehicles such as engine components are made of superior quality to withstand load and excess weight.

- **Ferritic Stainless Steel:** Ferritic steel contains high content of chromium, magnetic stainless steel with less than 0.12% carbon content. Ferritic steel have good resistance to corrosion along with excellent surface finish and stress corrosion cracking. This material finds application with thinner material and reduced weight with strength.

- **Martensitic Stainless Steel:** Martensitic steel has carbon content of upto 0.75%, with chromium from 12.5% to 18%. Tempered martensite steel provides increased hardness and high toughness. Improved group of martensitic stainless steels are the super martensitic stainless steels that provide high strength with low-temperature toughness having acceptable corrosion resistance.

- **Austenitic Stainless Steel**: Austenitic steel are non-magnetic stainless steel grade with high level of chromium (upto 28%) and nickel (36%) along with low level of carbon. Austenitic steel grades have enhanced corrosion resistance with modified structure from ferritic to austenitic. These types of grades are categorized with 200, 300 series and are most commonly used type among other types of stainless steel.

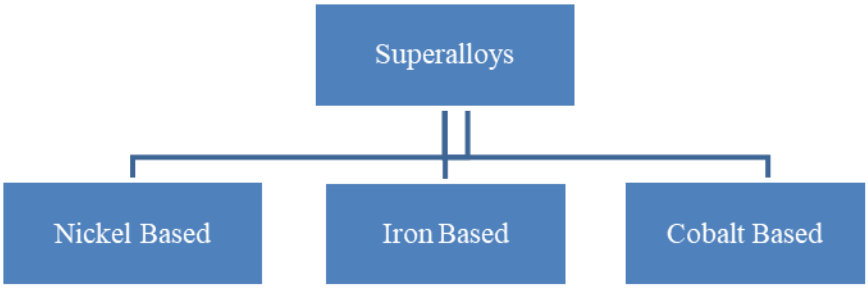
- **Precipitation Hardening Steel:** Precipitation hardening steel is classified as martensitic or semi austenitic steel grade that can be strengthened and hardened by heat treatment. This material is ideal for applications that requires high strength-to-weight ratio such as aerospace.

Overview of Application Areas for High Value Specialty Grades

Select High Value Specialty Steel Grades	Key End User Segments	Illustration of Application Areas
Ni Alloy	• Aeronautical • Defence	• Landing gears • Suspension systems • Breaking systems
	• Auto Components • Industrial Machinery	• Crankshafts • Gears • Casings for motors • Die casting
High Strength Armour grades	• Defence Vehicles for combat	• Ceilings • Walls • Doors
	• Armoured Commercial Vehicles for VIPs and SWAT vehicles	• Ceilings • Walls • Doors
Martensitic Stainless Steel	• Aerospace	• Valve Parts
	• Consumer Durables • Medical • Oil & Gas • Chemical • Tools & Machineries	• Multi-Purpose tools • Valve Parts • Surgical Instruments • Shears
Ferritic Stainless Steel	• Aerospace	• Exhaust Systems
	• Automotive • Oil & Gas • Chemical Plants • Power Plants • Processing Industries	• Automotive exhaust systems • Heat Exchangers • Furnace combustion chamber • Chemical and oil refinery equipment
Austenitic Stainless Steel	• Automotive • Food Processing • Chemical • Pharmaceutical	• Automotive trim • Food & Beverage Equipment • Process Equipment
Precipitation Hardening Steel (PH)	• Aerospace	• Exhaust systems • Oil Patch
	• Oil & Gas • Power Plants • Chemical Plants	• Pump Shaft • Oil Patch • Mechanical Seal

Superalloy Products

Superalloy products have high creep resistance at high temperature without any deformation along with excellent corrosion and oxidation resistance properties. They typically have an austenitic face-centered cubic crystal structure with a base alloying element of nickel, cobalt, iron and nickel-iron. Superalloys are high performance materials. It can be classified based on their alloying element into three types as shown below. We produce all three types of Superalloys.



Nickel Based Superalloy: Nickel based superalloy can withstand higher temperature for a longer period of time and hence finds application in high temperature (greater than 0.7 of the absolute melting temperature) applications along with excellent creep, fatigue and oxidation resistance. Nickel-based Superalloys are found in a wide range of applications; the most prominent use is in the manufacture of gas turbines for use in commercial and military aircraft, power generation and marine propulsion.

Iron Based Superalloy: Iron based superalloy is characterized to withstand high temperature with resistance to creep, oxidation, corrosion, and wear. The maximum wear resistance is achieved by increasing carbon content while oxidation resistance increases with addition of chromium content. Iron based alloys are predominantly used in Aerospace components such as bearings, fasteners, etc. Nickel-Iron base superalloy are also commonly used alloy grade with nickel between 9-45% and Iron ranging between 15-60%.

Cobalt Based Superalloy: Cobalt based Superalloys have much lower high temperature strength but has superior hot corrosion and sulfidation resistance compared to nickel based Superalloys due to high chromium content and low diffusion of sulfur in the matrix. These alloy materials are used in combustion chambers of gas turbines (both industrial and aero engines).

Overview of Application Areas for Superalloy Grades

Superalloy Grades	Key End User Segments	Instances of Application Areas
Nickel Based Superalloy	• Aeronautical	• Jet engine components • Air Frames
	• Power Plants • Oil & Gas • Chemical Plants	• Gas turbines • Combustors • Heat exchanger tubing • Pump motor shaft • Cryogenic tanks
Iron Based Superalloy	• Processing Industries • Chemical Plants • Power Plants • Industrial Machineries • Oil & Gas	• Process equipment • Pre & Super heaters • Steam boilers • Piping application • Industrial furnace • Valves & fittings
Nickel-iron alloy	• Aerospace • Defence	• Electronic appliances • Navigating systems
	• Electric and electronic appliance • Power Sectors • Industrial Machineries • Consumer Durables	• HV Transmission lines • Heaters • Composite moulds • Electric Furnace • Electronic housings

Superalloy Grades	Key End User Segments	Instances of Application Areas
Nickel-Chromium-Cobalt alloy	• Aerospace • Defence	• Aerospace fasteners • High temp discs • High temp springs
	• Power Plants • Automotive	• Turbine blades • Exhaust re-heaters
Iron – Cobalt alloy **Soft Magnetic Alloy**	• Aerospace • Defence	• Electronic Instruments
	• Consumer Durables • Industrial Machineries • Power Stations	• Electric motor parts • Electronic appliances • Sonar application • Ultrasonic equipment

Titanium Based Alloys

We manufacture titanium and titanium based alloys, alpha, alpha-beta and beta alloys under the trade name TITAN. These alloys are non-magnetic with excellent corrosion resistance and light weight and have high tensile strength. They find extensive application in aircraft and space crafts. Titanium alloys are used as biomedical implants since it is biocompatible. They are also used in other commercial applications such as cryogenic vessels and process equipment.

Overview of Application Areas for Titanium Alloy Grades

Titanium Alloy Grades	Key End User Segments	Illustration of Application Areas
Pure Titanium and Titanium Alloy Based	• Aerospace • Defence	• Aircraft engine parts • Aerospace exhaust system
	• Marine Applications • Power Plants • Oil & Gas • Chemical Plants • Pharmaceutical • Medical • Processing Industry	• Chemical desalination • Process equipment • Marine components • Steam turbine blades • Structural forgings • Cryogenic parts

Our Manufacturing Process

Our flexible manufacturing facilities includes primary and secondary melting furnaces such as electric arc furnace with ladlle refining furnace, vacuum degassing/ vacuum oxygen decarburisation, vacuum induction melting, vacuum induction refining, vacuum arc re-melting, electro slag re-melting and electron beam melting. Subsequent operations are carried out with 6000T/1500T forge press, ring rolling mill, hot rolling and cold rolling, bar and wire drawing based on the output sizes required. The auxiliary supporting services like conditioning, heat treatment, machining, pickling, quality control also form part of our manufacturing processes.

The primary raw materials used by our Company for manufacturing our products are: (a) nickel metal to various specifications; (b) cobalt metal to various specifications; (c) various master alloys; (d) pure iron; (e) titanium sponge of various grades; (f) chromium metal to various specifications; (g) mild steel scrap/stainless steel scrap; (h) high carbon/low carbon ferro chrome; (i) aluminium metal in various forms; (j) manganese metals; and (k) different ferroalloys.

No discharge of harmful by-products from the manufacturing process

No harmful by-products are generated in the process of manufacturing critical alloys and special steels. The by-products produced during the production process are not hazardous to the environment. Different forms of by-products generated during the process of manufacturing are reused by the Company at different stages of the manufacturing process. This helps us in optimum utilisation of raw materials and is cost effective.

Order Book

Our order book as on January 31, 2018 is as follows:

Sector	Order book position as on January 31, 2018 (In ₹ million)
Defence	2,830
Space	1,680
Others	660
Total	**5,170**

We cannot assure you that we will be able to deliver all of our existing orders on schedule and that the order book will materialize into our revenue. Investors should not consider our order book as an accurate indicator of our future performance or future revenue.

Better utilisation of resources

Our Company has taken steps towards better utilisation of resources and maximising efficiency by increasing automation in the forging and machining processes, and using modern IT enabled business processes such as advanced computer aided design and analysis capabilities which accommodate wide range of customer specifications. We place strong emphasis on research and development to enhance our product range and to improve our manufacturing processes which has helped us to improve our lead time and reduce liquidated damages.

Marketing

We approach customers to understand their product requirements and technical specifications. We strive towards new areas of development. We focus on targeting existing customers and strive to further develop our relationship with our customers by providing a proactive after-delivery service and responding to feedback received from them. We have partnered with many of our key customers in the product development process which helps us retain our customers and establish long standing relationships with them.

We have appointed export agents for promoting export of our products. We have also identified domestic partners to add value to our products.

Further, we organise customer meets to share experiences and discuss futuristic requirements of our customers for the products supplied by our Company. For instance, in 2016, we organised two meetings focused on missile sectors and ordnance factories. We regularly participate in various national and international exhibitions.

Raw Material Suppliers

The key cost drivers of our Company are raw materials, power, fuel and employee cost. Continuous efforts are being made by our Company to optimise these costs.

The primary raw materials required for manufacturing of our products are: (a) nickel metal to various specifications; (b) cobalt metal to various specifications; (c) various master alloys; (d) pure iron; (e) titanium sponge of various grades; and (f) chromium metal to various specifications. We explore alternative raw materials and alternative sources.

We have started e-procurement/ reverse auction. Over the years, we have increased our vendor base. There are no written arrangements for procurement of raw materials. Our Company has a formal purchase policy in relation to the procedure to be followed for procurement of raw materials.

Utilities

Fuel is taken from government public sector undertaking through competitive pricing and power is taken from state utility department. To reduce the cost of power, our Company has invested in gas based power plant known as Andhra Pradesh Gas Power Corporation Limited and 4MW solar power plant and has applied for open access systems for starting the power trading to reduce the overall cost.

To ensure the reliable supply, we have a dedicated high power electricity line from Telangana State Transmission Company for our manufacturing facilities. We have installed 132/11 KV power transformers and one 132 KV switch yard for our manufacturing unit. We are also installing a second transmission line for high reliability.

However, for emergency, our manufacturing facilities are also supported by four DG sets, one with a capacity 625 KV and three of capacities 500KV each, with the total aggregate capacity of 2,125 KV.

To optimise the cost of manpower, we are judiciously using outsourcing and regular manpower engaged by us.

We draw municipal water from Hyderabad Metro Water Supply and Sewage Board. The municipal water is stored in ground reservoir.

Employees

As of January 31, 2018, we have 852 employees, comprising 268 executives, 71 non-unionised supervisors and 513 non-executives. Of these non-executives, 271 are skilled workers, 201 are semi-skilled and the balance of the employees consists of unskilled labour and administrative staff.

Following steps have been taken by our Company to improve the efficiency of our employees:

- Regular physical and mental health check-ups, prevention, diagnosis and action on chronic diseases and counselling of our employees.
- Meditation and motivational workshop.
- Provision of free medication for certain chronic disease like hypertension, diabetes, and chronic kidney diseases, cardiac ailments, cancer and neurological disorders.

We have peaceful and amicable relations with our employees. We have never experienced any strikes or lockouts in the past.

Our Company continues to emphasise on building and sustaining an excellent organisation climate based on human performance. Our Company pursues proactive policies to achieve peaceful and harmonious work environment in our manufacturing unit and ensure low attrition rates.

Our employees are evaluated on a yearly basis for their performance on specified parameters. We believe that our Company's growth and work environment combined with high employee satisfaction rate has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees.

Awards and Recognition

Some of the awards that we have received in recognition of our achievements, products or services are as follows:

A. Individual awards:

1. National Metallurgist Award to Dr. Dinesh Kumar Likhi, 2016-17;
2. Udyog Ratan Award to Dr. Dinesh Kumar Likhi, 2016-17;
3. National Vigilance Excellence Award to Shri. T.V. Reddy, 2016-17.

B. Company performance awards:

1. Corporate Vigilance Excellence Award under Metallurgy Sector, 2016-2017;
2. Excellence Award by Institute of Economic Studies, 2016;
3. Skoch Award for balanced and sustainable business performance, 2016;
4. Raksha Mantri Award in Innovation for Development of Composite Armour Panel for Mi-17 helicopter, 2013-2014;
5. Raksha Mantri Award of Excellence Award, 2014-15.

Insurance

As part of our risk management, our Company has obtained insurance policies in respect of our business, assets such as stocks, plant and machinery, buildings and equipment. We have fire and special perils insurance, burglary insurance, boiler and pressure plant insurance, insurance for machine breakdown, electronic equipment insurance which covers sudden and accidental physical loss, destruction or damage to our property.In addition, we have a special contingency insurance in relation to semi-furnished goods/ raw materials to be sent outside factory to vendors or job workers for further processing. We also maintain marine transit insurance policies to cover various risks during the transit of goods anywhere in the country or overseas. Additionally, we have product liability insurance for indemnification of any loss caused by our products.

We have appointed M/s. Sun Risk Management and Insurance Broking Services Private Limited ("**Sun Risk Limited**") as our insurance consultant for the period October 1, 2017 to September 30, 2018. Our Company has authorized Sun Risk Limited to act as the general insurance intermediary for its general insurance requirements.

Health and Safety

Health is a priority at all of our facilities.

We make continuous efforts in the implementation of safety standards, monitoring of risk control and other measures to reduce and eliminate potential workplace hazards. We have a dedicated safety department. In addition, all departments are given a safety pledge.

However, as a special steel and critical alloys production company, our operations are inherently risky and we have experienced one major industrial accident including accidents in the past five years.

As part of our commitment to a safer work place, our Company has organised a number of workplace safety campaigns and initiatives, which include:

- Conducting hazard and operability studies for various works and expansion units;
- Organising safety promotional campaigns such as safety week celebrations in individual departments and National Safety Day celebrations in our Company; and
- Giving employees various incentives to work safely.

Intellectual Property

We operate our business under the name and brand of MIDHANI. Our logo has been registered in the name of our Company as a word mark and label under class 6 and 35.We have been issued the trademark registration certificate on May 18, 2017 in respect of advertising, business, administration, office, functions, demonstration of goods, dissemination of advertising matter publicity services, promotional services, all being in relation to special metals and alloys. We have been issued the trademark registration certificate on May 26, 2017 in respect of common metals and their alloys, design, development and equipment made out of special metals and alloy sheets. We use the brands MDN, SUPERNI, SUPERFER, SUPERCO and TITAN which are not registered. For details see "*Risk Factors- 17. We do not own some of our brands and we may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation." on page 23.*

Our Company has applied for patents including in relation to certain products and processes.

Corporate Social Responsibility

In accordance with the provisions of the Companies Act, 2013, our Company has spent two per cent of the average net profit of the last three financial years for corporate social responsibility activities, which include environmental, education and health care activities. We have contributed to the construction of school classrooms, construction of toilets in government schools and colleges and provided scholarships to students. The implementation and monitoring of our corporate social responsibility activities is in compliance with Corporate Social Responsibility Policy of our Company.

The Corporate Social Responsibility policy of our Company aims at developing company specific social responsibility strategies in long, medium and short term period with built in mechanism for implementation and monitoring towards all round development of people residing in and around the Company's area of operation. As envisaged in the Corporate Social Responsibility policy of our Company, we make efforts to set up skill development centre and procure required infrastructure facilities such as machinery and tools.

We supplied custom made prosthesis to cancer patients. Brief overview of projects/programs undertaken by us under our CSR policy is as under:

(i) Promotion of Health Care and Sanitation

(ii) Promotion of Education

(iii) Environment Sustainability, Ecological Balance & Conservation of Natural Resources

(iv) Women empowerment & Skill Development

(v) Swachh Bharat

Our Company primarily focus to undertake CSR activities in premises which are near to the location of our Company. CSR activities of our Company are consistent, localised and focused.

Properties

Our Corporate and Registered Office is located at Kanchanbagh, Hyderabad. For more information, see "*Risk Factors – Any dispute, proceeding or irregularity in title to properties possessed by us may adversely affect our financial condition and results of operations" on page 21* of this Prospectus.

The following table provides details of other properties which we use on a leasehold basis:

Location	Address	Category/ use
New Delhi	Flat No. 8330, C-8, Vasant Kunj, New Delhi – 110 070	transit accommodation
	1682-A (Ground Floor), Sector –B, Pocket- Vasant Kunj, New Delhi- 110 070	accommodation
Kolkata	BE-70, Ground Floor, Sector 1, Salt Lake, Kolkata – 700 064	transit accommodation

Our Company is in the process of setting up two new manufacturing units based in Rohtak and Nellore.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our Company for running our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by us, see "Government and Other Approvals" on page 272.

I. Regulations applicable to the Production and Manufacturing Sector

(i) Industries (Development and Regulation) Act, 1951, as amended (the "I(D&R) Act")

The I(D&R) Act has been liberalized under the New Industrial Policy dated July 24, 1991 and all industrial undertakings are exempt from licensing except for certain industries, including among others, all types of electronic aerospace, defence equipment, ships and other vessels drawn by power. The I(D&R) Act is administered by the Ministry of Industries and Commerce through the DIPP. The main objectives of the I(D&R) Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities, performance and results of industrial undertakings in the public interest. The DIPP is responsible for formulation and implementation of promotional and developmental measures for growth of the industrial sector.

(ii) The Legal Metrology Act, 2009 (the "LM Act")

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The LM Act makes it mandatory to obtain a license from the Controller of Legal Metrology by any person who manufactures sells or repairs any weight or measure. All weights or measures in use or proposed to be used in any transaction or protection, are required to be verified and stamped at such place and during such hours as the Controller of Legal Metrology may specify on payment of prescribed fees. Further, no person shall import any weight or measure unless he is registered in such manner and on payment of such fees, as may be prescribed. Various penalties have been provided for contravention of the provisions of the LM Act. The penalty of using non-standard weight or measure may attract a fine of upto ₹ 20,000 and, a subsequent offence, may lead to penalties and imprisonment extending to three years along with fine. In case a person imports any weight or measure without being registered under the LM Act, he may be punished with fine which may extend to ₹ 25,000. The LM Act also provides for provisions relating to compounding of offences.

(iii) The Legal Metrology (Approval of Models) Rules, 2011 (the "Approval of Models Rules")

The Approval of Models Rules lay down provisions regarding approvals of models of weights and measures. The Approval of Models Rules state that only recognised laboratories shall carry out tests for approval of models. Application for approval of models needs to be made to the director of legal metrology with the prescribed information. Once a model is approved, a certificate of approval is issued, pursuant to which, a license to manufacture the model may be obtained from the State Government. The procedure for issue, revocation and suspension of the certificate of approval is also laid down in the Approval of Model Rules. The Approval of Models Rules has repealed the Standards of Weights and Measures (Approval of Models) Rules, 1987.

II. Regulations applicable to the Foreign Trade and Foreign Investment

(i) Foreign Trade (Development and Regulation) Act, 1992 (the "FTA"), the Foreign Trade Policy (2015 - 2020) (the "FTP") and Foreign Trade (Exemption from application of Rules in certain cases) Orders, 1993 (the "FTO")

The FTA provides for the development and regulation of foreign trade by facilitating imports into, and exports from India. The FTP governs the export and import of goods and services in India which require an import export code ("**IEC**") number unless specifically exempted. Exports and imports are free unless specifically regulated by the FTP or the Indian trade classification based on harmonised system of coding which is used for regulating import and export operations.

Under the FTA, an IEC granted by the director general of foreign trade will be required to be obtained in the event any import or export of the product is envisaged. Failure to obtain the IEC number attracts a penalty of ₹ 1,000 or five times the value of the goods on which contravention is made or attempted, whichever is more.

The FTO provides an exemption from the applicability of Foreign Trade (Regulations) Rules, 1993 for (i) import by certain class of entities including among others, Central Government or agencies, and undertakings owned and controlled by the Central government for defence purposes; and (ii) for exports of certain goods, including among others, goods exported by or under the authority of the Central Government.

(ii) **Regulations of Foreign Trade in India**

The DIPP makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA Regulations. The consolidated FDI policy circular of 2017, effective August 28, 2017 issued by the DIPP ("**FDI Circular**") consolidates the policy framework in force as on August 28, 2017. Further, the FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP. In terms of the FDI Circular, a defence company is permitted to have FDI of upto 49% under the automatic route. FDI above 49% is under approval route on case to case basis, wherever it is likely to result in access to modern technology in India or other reasons to be recorded.

(iii) **Regulation of Foreign Investment in India**

Foreign investment in Indian securities is governed by the provisions of the FEMA, as amended, read with the applicable FEMA Regulations. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

III. Regulations applicable to the Industry Specific Sector

(i) **The Electricity Act, 2003 (the "Electricity Act")**

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use. Our Company has installed the captive power plant and solar power plant for our own use. We do not transmit/ distribute or trade electricity as a licensee and hence a license is not required in that regard.

(ii) **Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended (the "Electricity Regulations")**

The Electricity Regulations are framed under the Electricity Act, 2003 and they lay down the provisions in relation to the safety provisions for electrical installations and apparatus of voltage exceeding 650 volts. The said installation requires approval from the electric inspector before commencement of supply and recommencement after shutdown for six months for electrical installations exceeding 650 volts.

(iii) **The Atomic Energy (Radiation Protection) Rules, 2004 (the "Radiation Protection Rules")**

The Radiation Protection Rules are framed under the Atomic Energy Act, 1962 and they apply to practices adopted and interventions applied with respect to radiation sources. Since our Company stores certain radioactive materials, it is required to ensure certain compliances in relation to their storage. The atomic energy regulatory board issues license under the said Act and Rules for possession and operation of the industrial radiography exposure device(s) ("**IRED**") containing radiography source/ radiation generating equipment for industrial radiography purposes at authorised site(s). The licensee shall obtain permission from Atomic Energy Regulatory Board prior to the routine operation of each IRED after procurement.

IV. Regulations applicable to the Central Public Sector Enterprises

As a CPSE, we are required to comply with certain laws and regulations such as guidelines on corporate social responsibility and sustainability for central public sector enterprises, Prevention of Corruption Act, 1988, the Central Vigilance Commission Act, 2003, and Right to Information Act, 2005 amongst others.

V. Labour Law Regulations

We are required to comply with certain labour and industrial laws, which includes the Factories Act, 1948, Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employee State Insurance Act, 1948, the Minimum Wages Act, 1948, the Maternity Benefit Act, 1961, the Payment of Bonus Act, 1965, Workmen's Compensation Act, 1923, the Payment of Gratuity Act, 1972, Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Wages Act, 1936, Industrial Disputes Act, 1947, Industrial Employment (Standing Orders) Act, 1946, the Apprentices Act, 1961, the Trade Unions Act, 1926, Equal Remuneration Act, 1976, Public Premises

(Eviction of Unauthorized Occupants) Act, 1971, the Indian Boilers Act, 1923, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 amongst others.

VI. Intellectual Property Laws

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

VII. Environmental Laws

The business of our Company is subject to various environment laws and regulations. The applicability of these laws and regulations varies with different operations.

The operation of our Company require various environmental and other permits covering, among other things, water use and discharge, extreme diversion, solid waste disposal and air and other emissions. Major environmental laws applicable to the business operations include:

(i) The Environment (Protection) Act, 1986, as amended (the "EPA")

The EPA is the umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia,* laying down standards for the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. Penalties for violation of the EPA include fines upto ₹ 100,000 or imprisonment of upto five years, or both. The imprisonment can extend upto seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities in certain cases, establishment of environment laboratories and appointment of Government analysts.

(ii) The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "Air Act")

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding pollution control boards in a state. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

(iii) The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the state pollution control boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the state pollution control board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines, or imprisonment, or both.

(iv) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, (the "Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste to deploy safe and environmentally sound measure for handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable state pollution control board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

(v) Public Liability Insurance Act, 1991 (the "Public Liability Act")

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

VIII. Tax Legislations

The tax related laws that are applicable to our Company include the Income Tax Act, 1961, the Income Tax Rules, the Customs Act, 1962, Customs Tariff Act, 1975, Goods and Services Tax Act, 2017, local body tax in respective states and Finance Act, 1994 and various applicable tax notifications and circulars.

IX. Other Laws

In addition to the above, our Company is also governed by the provisions of the Companies Act and rules framed thereunder, foreign exchange and investment laws, foreign trade laws, and other applicable laws and regulations imposed by the central and state government and other authorities for day to day business, operations and administration of our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Mishra Dhatu Nigam Private Limited with the RoC on November 20, 1973 under the Companies Act, 1956. Being a Government Company, the word private was deleted from name of our Company by the RoC on June 15, 1974 by virtue of GSR No. 1234 dated December 30, 1958 issued by Central Government in exercise of powers conferred by section 620(1) of the Companies Act, 1956. The status of the Company was changed from a private limited company to deemed public limited company under the provisions of Section 43A with effect from July 01, 1983. The status of our Company was changed from deemed public company to a private limited company after notification of the Companies (Amendment) Act, 2000 and the word private was not inserted in the certificate of incorporation by virtue of the GSR No. 1234 dated December 30, 1958 issued by the Central Government. Our Company was converted into a public limited company pursuant to a special resolution passed in the Extra Ordinary General Meeting of our Company held on October 27, 2017 and a fresh certificate of incorporation dated November 13, 2017 bearing CIN U14292TG1973GOI001660 was issued by the RoC.

Changes in the Registered Office

The Registered Office of our Company presently is situated at P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India. Our Company has not changed its Registered Office since its incorporation.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

(i) To manufacture, trade, process, material test and characterize various grades, types and sizes of special metals, non-metals, alloys, magnetic materials, Superalloys, high temperature refractory materials, semi-conductor materials, super conducting materials, opto-electronic materials, fibers, ceramics, polymers, composites (polymeric matrix, metal matrix, ceramic matrix) and hybrid materials, functional and smart materials, energy and power materials, electronic and photonic materials, high energy materials, coating materials, stealth materials, membrane materials, metallic glassy materials, bio-derived and bio-inspired materials, with securing of supply line for ingredient raw materials/minerals which are critical and strategic in nature, and any other special metals, alloys, Superalloys and materials in the form of ingots, billets, forgings (open die, close-die, isothermal, liquid forging), hot and cold rolled, extruded sections, strips, plates, sheets, foils, wires, coils & springs, tubes, coating, foams, metallic powders and powder metallurgical products, super-elastically formed products, flow forming products, additive manufacturing products and other wrought, cast (equiaxed, directional solidified and single crystals), sintered, fabricated shapes and forms as applicable and/or desired for different materials to meet the requirements of strategic sectors such as defence, space, aerospace, nuclear power, thermal power, electronics and communication, railways, petrochemical, renewable energy industry in India, and of general engineering industries, additive manufacturing industries and nanotechnology industries in India or elsewhere, either independently or in collaboration with others.

The existing and proposed activities of our Company are and shall be within the scope of the objects clause of the Memorandum of Association.

Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution	Nature of amendment
September 28, 1977	Clause V of MoA was amended to reflect the increase in authorized share capital from ₹ 200,000,000 divided into 200,000 Equity Shares of ₹ 1,000 each to ₹ 350,000,000 divided into 350,000 Equity Shares of ₹ 1,000 each
August 14, 1978	Clause V of MoA was amended to reflect the increase in authorised share capital from ₹ 350,000,000 divided into 350,000 equity shares of ₹ 1,000 each to ₹ 450,000,000 divided into 450,000 Equity Shares of ₹ 1,000 each
December 31, 1981	Clause V of MoA was amended to reflect the increase in authorised share capital from ₹ 450,000,000 divided into 450,000 Equity Shares of ₹ 1,000 each to ₹ 620,000,000 divided into 620,000 Equity Shares of ₹ 1,000 each
September 30, 1985	Clause V of MoA was amended to reflect the increase in authorised share capital from ₹ 620,000,000 divided into 620,000 Equity Shares of ₹ 1,000 each to ₹ 1,400,000,000 divided into

Date of Shareholders' Resolution	Nature of amendment
	1,400,000 Equity Shares of ₹ 1,000 each
January 30, 2009	Clause V of MoA was amended to reflect the increase in authorised share capital from ₹ 1,400,000,000 divided into 1,400,000 Equity Shares of ₹ 1,000 each to ₹ 2,000,000,000 divided into 2,000,000 Equity Shares of ₹ 1,000 each
October 27, 2017	Clause III(A) of the MoA was deleted and replaced with new clause III(A) containing the main objects, clause III(B) was amended with inclusion of new clause (i) which provides to maintain, run and operate research laboratories/facilities, *inter-alia*, other allied activities and clause III(C) was deleted in full. Clause V of MoA was deleted and substituted to reflect the split in the face value of the Equity Shares of our Company of ₹ 1,000 to ₹ 10 each consequent to which the authorised share capital of the company is ₹ 2,000,000,000 divided into 2,00,000,000 Equity Shares of ₹ 10 each.

Major events in our history

The table below sets forth the key events in the history of our Company:

YEAR	MAJOR ACHIEVEMENTS
1983-1984	First commercial production started
1987-1988	Entered into the field of fabrication of special armour panels
2000-2001	Development of bio implants from Titanium alloys
2001-2002	Development Niobium alloy required for critical space applications
2002-2003	Supply of indigenized special fasteners commenced
2005-2006	Development of large forgings of Chromium -Molybdenum steel in the form of weld neck flanges, blind flanges etc.
2006-2007	Development of gun barrel forgings.
2008-2009	Achieved Mini Ratna category-1 status from MoD
2009-2010	Commencement of commercial production of 6.5 metric tonnes vacuum induction melting furnace
2010-2011	Commissioning of critical equipment like 10 tonnes vacuum arc re-melting furnace
2011-2012	Implementation of the e-Procurement portal for publishing and processing tenders online. Signatory to UN Global Compact Initiative
2014-2015	Commissioning of 6000 tonnes forge press and electron beam melting furnace
2015-2016	Commissioning of in-house designed 20 tonnes electro slag refining furnace and 10 tonnes vacuum arc re-melting furnace Awarded "Excellent" rating with a score of 97.06%, which is the best amongst all the defence PSUs and ranks among top 5% of all companies signing such MoUs with the Department of Defence Production
2016-2017	Commissioning of 20 tonnes electric arc furnace

Awards and Recognition

Some of the awards that we have received in recognition of our achievements, products or services are as follows:

A. Individual awards:

1. National Metallurgist Award to Dr. Dinesh Kumar Likhi, 2016-17;

2. Udyog Ratan Award to Dr. Dinesh Kumar Likhi, 2016-17; and

3. National Vigilance Excellence Award to Shri. T.V. Reddy, 2016-17.

B. Company performance awards:

1. Corporate Vigilance Excellence Award under Metallurgy Sector, 2016-2017;

2. Excellence Award by Institute of Economic Studies, 2016;

3. Skoch Award for balanced and sustainable business performance, 2016;

4. Raksha Mantri Award in Innovation for Development of Composite Armour Panel for Mi-17 helicopter, 2013-2014; and

5. Raksha Mantri Award of Excellence Award, 2014-15.

Accreditations and Certifications

Our Company has received the following accreditations and certifications:

Certificate	Issuing authority
Certificate for ISO 9001: 2008 for quality management system	DQS Inc.
Certification for AS9100C for quality management system	DQS Inc.
Certificate for accreditation bearing no. T-2903 for ISO/IEC 17025:2005 in Mechanical Testing	National Accreditation Board for Testing and Calibration Laboratories
Certificate for accreditation bearing no. T-2100 for ISO/IEC 17025:2005 in Chemical Testing	National Accreditation Board for Testing and Calibration Laboratories
Approval for quality control organization of the Company (DGAQA)	Directorate General of Aeronautical Quality Assurance

Number of Shareholders of our Company

Total number of Shareholders of our Company as on the date of this Prospectus is 7 (Seven).

Corporate Profile of our Company

For details of our Company's corporate profile, business, description of activities, services, products, technology, managerial competence and capacity built-up, location of plant, marketing, competition, market of each segment, growth of our Company, exports and profits due to foreign operations with country-wise analysis, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, major suppliers, major customers, geographical segment and management, see "*Our Business*", *"Our Management"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 97, 118 and 245, respectively.

Our Holding Company

Our Company does not have a holding company.

Subsidiaries of our Company

As on the date of this Prospectus, our Company does not have any subsidiary.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Capital raising activities, through equity or debt, by our Company

For details in relation to equity and debt capital raised by our Company, see "*Capital Structure*", *"Financial Statements"* and "*Financial Indebtedness*" on pages 61, 141 and 265, respectively.

Changes in the activities of our Company during the last five years

There have been no changes in the activities undertaken by our Company during a period of five years prior to the date of this Prospectus which may have had a material effect on the profits or loss of our Company or affected our business including discontinuance of lines of business, loss of agencies or markets and similar factors.

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 the financial institutions/ banks/ debenture holders. None of our outstanding loans with financial institutions/ banks have been converted into Equity Shares.

Lock-out, Strikes, etc.

There have been no instances of strikes, lock-outs or instances of labour unrest in our Company.

Financial Partners

Our Company does not have any financial partners as of the date of this Prospectus.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

Our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Details of guarantees given to third parties by our Promoter

Our Promoter has not given any guarantees on behalf of our Company to third parties.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company is required to have a minimum of 3 (Three) Directors. We currently have 7 (Seven) Directors, out of which 3 (Three) are whole time Directors and 4 (Four) are Independent Directors.

The following table sets forth the details regarding the Board as of the date of this Prospectus:

Sr. No.	Name, Designation, Occupation, Nationality and DIN	Age (in years)	Address	Other Directorships
1	Dr. Dinesh Kumar Likhi Designation: Chairman and Managing Director Occupation: Service Nationality: Indian DIN: 03552634 Term: Five years with effect from September 1, 2015 (date of assumption of charge) or till the date of superannuation or until further order, whichever event occurs earlier	57	Plot No. 59, H. No. 3-B/59, Nakshatra Colony, Balapur Road, Hyderabad – 500 005, India	NIL
2	Sanjeev Singhal Designation: Whole time Director (Finance) and Chief Financial Officer Occupation: Service Nationality: Indian DIN: 07642358 Term: Five years with effect from January 06, 2017 (date of assumption of charge) or till the date of superannuation or until further order, whichever event occurs earlier	53	House No. 6-3-562/15/1, Flat No. 102, Anandita Apartments Erramanzil, Somajiguda, Hyderabad – 500 082, India	NIL
3	Sanjay Kumar Jha Designation: Whole time Director (Production and Marketing) Occupation: Service Nationality: Indian DIN: 07533036 Term: Five years with effect from July 05, 2015 (date of assumption of charge) or till the date of superannuation or until further order, whichever event occurs earlier	54	2-2-647/77/G -19, Flat No:- 302 Sai Parvath, SBI Colony, Bagh Amberpet, Hyderabad – 500 013, Telangana, India	NIL
4	Indraganty Venkateswara Sarma Designation: Independent Director Occupation: Professor Nationality: Indian DIN: 02144740 Term: Three years with effect from December 1, 2015 (the date of notification of appointment) or until further orders, whichever is earlier	65	B-3, 604, White House, 15th Cross, 6th Main, R. T. Nagar, Bangalore – 560 032, Karnataka, India	BPL Telecom Private Limited (Director)
5	Dr. Jyoti Mukhopadhyay Designation: Independent Director Occupation: Professor Nationality: Indian	65	Housing Block No. 29, Apartment No. 202, Indian Institute of Technology, Palaj, Gandhinagar – 382	NIL

Sr. No.	Name, Designation, Occupation, Nationality and DIN	Age (in years)	Address	Other Directorships
	DIN: 02224647 Term: Three years with effect from December 1, 2015 (the date of notification of appointment) or until further orders, whichever is earlier		355, Gujarat, India	
6	Dr. Usha Ramachandra Designation: Independent Director Occupation: Professor Nationality: Indian DIN: 02831588 Term: Three years with effect from December 1, 2015 (the date of notification of appointment) or until further orders, whichever is earlier	56	12A College Park, ASCI Staff Quarters, Road No.3 Banjara Hills, Hyderabad - 500 034, Andhra Pradesh, India	Andhra Pradesh Gas Power Corporation Limited Kamireddy Sakleshpur Enterprises Private Limited Kamireddy Sakleshpur Power Private Limited
7	Surendra Sinh Designation: Independent Director Occupation: Retired Government Servant Nationality: Indian DIN: 07960634 Term: Three years with effect from September 1, 2017 (the date of notification of appointment) or until further orders, whichever is earlier	61	Plot No 172/2, Barkhedi Khurd Road, behind National Law Institute University, Mendori, Bhopal - 462 044, Madhya Pradesh, India	

Brief Biographies of the Directors

Dr. Dinesh Kumar Likhi

Dr. Dinesh Kumar Likhi, aged 57 years, is the Chairman and Managing Director of our Company. He holds a bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology ("**IIT**") Roorkee (formerly the University of Roorkee) and master's degree in Metallurgical Engineering from the National Institue of Technology ("**NIT**") Rourkela (formerly the Regional Engineering College Rourkela, Sambalpur University). He has also completed a post graduate diploma in Management from All India Management Association, masters of business administration in Corporate Strategy and Economic Policy from the Maastricht School of Management, Netherlands and Doctor of Philosophy ("**PhD"**) in Strategic Alliance from the Indian Institute of Technology, Delhi.

He has thirty five (35) years of experience in automobile, steel and special metal alloys Industry. Prior to joining our Company, he was associated with Steel Authority of India Limited ("**SAIL**") at Rourkela Steel Plant ("**RSP**") as General Manager. He joined the Company as the Director (Production and Marketing) on September 01, 2011 and was re-designated as the Chairman and Managing Director on September 1, 2015.

He is a life member of Indian Institute of Metals, National Institute of Personnel Management, Indian Institute of Materials Management and Global Institute of Flexible system, Management. His areas of interest are formulating and implementing strategy and organization of strategic interventions in the company using operations /project management concepts. He has been awarded the Jawahar Award for Outstanding PSU Executive in 1995, group awards for his contribution in turnaround of SAIL in 2000 and preparing growth plan for SAIL in 2005 and new business development project of Wagon Building in 2011.

Sanjeev Singhal

Sanjeev Singhal, aged 53 years, is the Director (Finance) and Chief Financial Officer of our Company. He holds a B.Com (Hons) from Delhi University (1st division) and is a qualified cost accountant and recipient of 'Certificate of Merit' from the Institute of Cost Accountants of India.

He has an overall experience of 30 years in metals sector. He joined the Company as a Director on January 06, 2017. Prior to joining our Company, he was associated with SAIL where he had hands on experience in all major areas of the finance function. During his career at SAIL, Sanjeev Singhal was the only finance executive from RSP selected for the prestigious "Assessment Development Centre" evaluation and training a flagship programme of SAIL to identify and nurture talent for future leadership roles. He successfully completed all 18 management modules subscribed by SAIL from the Harvard Business School. He is a recipient of "Jawaharlal Nehru Award" at SAIL which is the most prestigious award for executives of SAIL, awarded for exceptionally outstanding performance.

Sanjay Kumar Jha

Sanjay Kumar Jha, aged 54 years, is the whole time Director (Production and Marketing) of our Company. He is a Metallurgical Engineering graduate from the National Institute of Technology ("**NIT**") Jamshedpur (formerly the Regional Institute of Technology Jamshedpur) in the year 1987. He has completed the lead auditor course of ISO. He is pursuing PhD from Homi Bhabha National Institute.

He has overall experience of 28 years. He joined our Company on July 05, 2016. Prior to joining our Company, he was associated with Nuclear Fuel Complex ("**NFC"**), Hyderabad. At NFC, he carried out simulation and modeling of "difficult to hot work" Inconel 718, Titanium full alloy, PT-7M, PT-3B Inconel 690, Incoloy 800 for the first time.

He was awarded for excellence in science technology for the year 2006 and group award for development of modified route for pressure tube and development of other alloys, steels, and steam generator tubes etc., from Department of Atomic Energy ("**DAE**"). He has published 35 articles in international journals.

Indraganty Venkateswara Sarma

Indraganty Venkateswara Sarma, aged 65 years, is an Independent Director of our Company. He holds a bachelor's degree in electronics and communications from the Andhra University and masters of business administration from the Faculty of Management Studies, Delhi.

He has an experience of 37 years in the electronics industry in India. He has been on our Board since December 01, 2015. Prior to joining our Company, he was a Director (Research and Development) in Bharat Electronics Ltd ("**BEL**"), a Navratna PSU, in the business of Defence electronics, from 1975 to 2012. He has long association with the DRDO, other research labs in India and a number of academic Institutions. He is a fellow member of the Institution of Electronics and Telecommunication Engineers ("**IETE**").

Dr. Jyoti Mukhopadhyay

Dr. Jyoti Mukhopadhyay, aged 65 years, is an Independent Director of our Company. He has done master of engineering from the Indian Institute of Technology, Roorkee (formerly the Roorkee University) and PhD in Materials Science and Engineering from the Indian Institute of Technology, Bombay.

He has an overall experience of over 35 years in the field of research and development. He has been on our Board since December 01, 2015. He is also a visiting professor at the Department of Materials Science and Engineering at the Indian Institute of Technology, Gandhinagar, since November 1, 2012.

He was awarded 2005 Light Metals Recycling Technology Award in recognition of the most notable Recycling Technology Research paper published in Light Metals 2005, awarded Hindustan Zinc Gold Medal by Hindustan Zinc Limited in 2005 for significant contributions in the applied research in Bauxite to Alumina and Alumina to Aluminum, awarded as the "Metallurgist of the Year - 2001" by the Ministry of Steel, GoI.

Dr. Usha Ramachandra

Dr. Usha Ramachandra, aged 56 years, is an Independent Director of our Company. She holds a PhD (Social Sciences) from the University of Hyderabad, masters in philosophy (Economics) from the University of Hyderabad, masters of arts (Economics) from the University of Hyderabad and bachelors in arts from the University of Osmania.

She is an economist with over 20 years of experience in management development, infrastructure restructuring and regulations. She is a professor and chairperson, energy area at the Administrative Staff College of India, Hyderabad. She has been on our Board since December 01, 2015.

Surendra Sinh

Surendra Sinh, aged 61 years, is an Independent Director of our Company. He has completed his masters of science in Physics from the Jiwaji University, Gwalior.

He has an overall experience of over 40 years. He has been on our Board since October 09, 2017. He was appointed into Indian Police Service in 1980 and assigned to Madhya Pradesh cadre. Prior to joining our Company, he was Director General of Police of Madhya Pradesh from October 2014 to June 2016. He was awarded Indian Police Medal for Meritorious Service in 1994 and President's Police Medal for Distinguished Services in 2000. He has been appointed as the Vice Chairman of Madhya Pradesh State Disaster Management Authority, since July, 2016.

Confirmation from Directors

None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the past five years preceding the date of the RHP. Further, none of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s).

None of our Directors have been identified as a wilful defaulter (as defined in SEBI ICDR Regulations).

Relationship among the Directors

None of our Directors are related to each other.

Understanding with major shareholders, customers, suppliers or others pursuant to which Director(s) were appointed

As per Article 67 of the Articles of Association, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India. Other members of the Board of Directors shall be appointed or reappointed by the President of India in consultation with the Chairman of the Board of Directors. The Directors shall be paid such remuneration as the President of India may, from time to time, determine.

The Directors appointed shall be entitled to hold office for such period as the President of India may determine. Except as stated above, none of our Directors, Key Management Personnels, senior management personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Borrowing powers of the Board

Subject to the Memorandum and Articles of Association of our Company, the Board is authorised to borrow upto an aggregate of the paid up capital of the Company and its free reserve that is to say reserve not set apart for any specified purpose.

***Details of Appointment and Term of the Directors*:**

S. No.	Name of Director	Ministry of Defence Order No. and Date	Date of Appointment of Director	Term
1	Dr. Dinesh Kumar Likhi	Letter No. 2(15)/ 2014/MDN/D(NS-I) dated November 03, 2015	September 01, 2015	Five (5) years with effect from the date of assumption of charge of the post, or till the date of superannuation, or until further orders, whichever is earliest, on immediate absorption basis.
2	Indraganty Venkateswara Sarma	Letter No. 2 (11)/ 2013/MDN/D(NS-I) Dated: December 01, 2015	December 01, 2015	Three (3) Years with effect from the date of notification of appointment or until further orders, whichever is earlier.
3	Dr. Jyoti Mukhopadhyay	Letter No. 2 (11)/ 2013/MDN/D (NS-I) Dated December 01, 2015	December 01, 2015	Three (3) years with effect from the date of notification of appointment or until further orders, whichever is earlier.
4	Dr. Usha Ramachandra	Letter No. 2 (11)/ 2013/MDN/D (NS-I) Dated December 01, 2015	December 01, 2015	Three (3) years with effect from the date of notification of appointment or until further orders, whichever is earlier.
5	Sanjay Kumar Jha	Letter No. 2 (13)/ 2015/MDN/D (NS-I) Dated May 23, 2016	July 05, 2016	Five (5) years with effect from the date of assumption of charge of the post, or till the date of superannuation, or until further orders, whichever is earliest, on immediate absorption basis.
6	Sanjeev Singhal	Letter No. 2 (5)/ 2015/MDN/D (NS-I) Dated September 19, 2016	January 06, 2017	Five (5) years with effect from the date of assumption of charge of the post, or till the date of superannuation, or until further orders, whichever is earliest, on immediate absorption basis.
7	Surendra Sinh	Letter No. 11(66)/ 2017/MDN/D (NS) Dated	October 09, 2017	Three (3) years with effect from the date of notification of appointment or until

S. No.	Name of Director	Ministry of Defence Order No. and Date	Date of Appointment of Director	Term
		September 08, 2017		further orders, whichever is earlier.

Except for the whole time Directors who are entitled to statutory benefits and post-retirement medical benefits on completion of tenure of their employment with our Company, no Director is entitled to any benefit on termination of their directorship with our Company.

Remuneration of the Directors

A. Chairman and Managing Director and Whole Time Directors:

The following table sets forth the remuneration paid by our Company to the Chairman and Managing Director and existing whole time Directors for the Fiscal 2017:

(₹ in million)

Name of Director	Total remuneration
Dr. Dinesh Kumar Likhi, Chairman and Managing Director	6.01
Sanjay Kumar Jha, whole time Director	2.42
Sanjeev Singhal, whole time Director	0.69

The Nominee Directors of our Company or part time official Directors of our Company, if any, derive their salary, benefits and facilities from the GoI and Government of Telangana, therefore, not paid by our Company.

B. Non Official (Independent) Directors

Non official part time (Independent) Directors are paid sitting fees for each meeting of the Board and Committees thereof. They are also subject to the maximum amount as prescribed under the Companies Act. Presently, our Company is paying ₹ 20,000 (Rupees Twenty Thousand Only) for attending each meeting of the Board and ₹ 15,000 (Rupees Fifteen Thousand Only) for attending each meeting of the Committees to non-official part time (Independent) Directors, approved pursuant to the Board resolutions dated March 23, 2017 and May 22, 2013, respectively.

***Details of the terms and conditions of appointment of the Chairman and Managing Director and Whole Time Directors*:**

The MoD prescribes the terms and conditions of appointment of the Chairman and Managing Director as well as the whole time Directors. Our Company prescribes the terms and conditions of employment for each of the whole time Director in consonance with the terms and conditions prescribed by the MoD.

Dr. Dinesh Kumar Likhi

Dr. Dinesh Kumar Likhi is the Chairman and Managing Director of our Company. He was designated as the Chairman and Managing Director with effect from September 1, 2015 vide letter dated July 27, 2015 and his terms and conditions are governed by an order No. 2(15)/2014/MDN/D(NS-I) dated November 03, 2015 ("**Order 2015**"). The current terms and conditions of his employment were prescribed by the Order 2015. Some of the key terms and conditions amongst others as revised from time to time are as under:

Term	5 (five) years with effect from September 01, 2015 or till the date of his superannuation or until further orders of GoI
Pay	Basic pay of ₹ 81,960***** per month in the scale of ₹ 75,000-90,000 from the date of assumption of office *****Our Company has received a letter dated December 12, 2017 from the Department of Defence Production approving revision of pay scales, allowances and perquisites for board level and below board level executives and non-unionised supervisors. Accordingly, the Directors are drawing a revised pay with effect from December, 2017.
Headquarters	Hyderabad - 500 058, Telangana, India
Dearness allowance	In accordance with the new Industrial Dearness Allowances ("**IDA**") scheme spelt out in DPE's Office Memo ("**OM**") dated November 26, 2008 and April 02, 2009
Housing	House rent allowance as per rates indicated in OM dated November 26, 2008 or residential accommodation provided by the Company, subject to recovery of rent for the accommodation

	so provided
Annual increment	3% of the basic pay
Conveyance	Entitled to facility of staff car as per the instructions contained in the DPE's OM/2(23)/11-DPE(WC)-GL-V/13dated January 21, 2013 except para 1(G) which has been withdrawn by further OMs dated November 04, 2013
Performance related payment	As per OMs dated November 26, 2008, February 09, 2009 and April 02, 2009
Other benefits and perquisites/ superannuation	Perquisites subject to maximum ceiling of 50% of his basic pay as indicated in DPE's OMs dated November 26, 2008, April 02, 2009 and June 11, 2013. Superannuation benefits will be based on approved schemes as per OMs dated November 26, 2008 and February 09, 2009.
Leave	As per the leave rules of CPSE
Restriction on joining private commercial undertakings after retirement/ resignation	He shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the CPSE had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government as per the DPE OM No. 2(22)/9-GM-GL-91 dated May 15, 2008 and DPE OM No. 2(22)/99-GM dated June 03, 2008.
Conduct, discipline and appeal rules	Conduct, Discipline and Appeal Rules framed by CPSE in respect of their non-workmen category of staff would mutatis mutandis apply to him also

Sanjeev Singhal

Sanjeev Singhal is the Director (Finance) of our Company. He was appointed on January 06, 2017 pursuant to the MoD letter No. 2(5)/2015/MDN/D (NS-I) dated September 19, 2016 and Corrigendum Letter dated September 26, 2016. The current terms and conditions of his employment were prescribed by the Order 2016 and corrigendum letter dated September 26, 2016. Some of the key terms and conditions amongst others as revised from time to time are as under.

Term	5 (five) years with effect from January 06, 2017 or till the date of his superannuation or until further orders
Pay	Basic pay of ₹ 75,000* per month in the scale of ₹ 65,000-75,000 from the date of assumption of office *****Our Company has received a letter dated December 12, 2017 from the Department of Defence Production approving revision of pay scales, allowances and perquisites for board level and below board level executives and non-unionised supervisors. Accordingly, the Directors are drawing a revised pay with effect from December, 2017.
Headquarters	Hyderabad - 500 058, Telangana, India
Dearness allowance	In accordance with the new IDA scheme spelt out in DPE's OM dated November 26, 2008 and April 02, 2009
Housing	House rent allowance as per rates indicated in OM dated November 26, 2008 or residential accommodation provided by the Company, subject to recovery of rent for the accommodation so provided
Annual increment	3% of the basic pay
Conveyance	Entitled to facility of staff car as per the instructions contained in the DPE's OM/2(23)/11-DPE(WC)-GL-V/13dated January 21, 2013 except para 1(G) which has been withdrawn by further OM of DPE dated November 04, 2013
Performance related payment	As per OMs dated November 26, 2008, February 09, 2009 and April 02, 2009
Other benefits and perquisites/	Perquisites subject to maximum ceiling of 50% of his basic pay as indicated in DPE's OM dated November 26, 2008, April 02, 2009 and June 11, 2013.

superannuation	Superannuation benefits will be based on approved schemes as per OMs dated November 26, 2008, February 09, 2009
Leave	As per the leave rules of CPSE
Restriction on joining private commercial undertakings after retirement/resignation	He shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the CPSE had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government as per the DPE OM No. 2(22)/9-GM-GL-91 dated May 15, 2008 and DPE OM No. 2(22)/99-GM dated June 03, 2008
Conduct, discipline and appeal rules	Conduct, Discipline and Appeal Rules framed by CPSE in respect of their non-workmen category of staff would mutatis mutandis apply to him also

Sanjay Kumar Jha

Sanjay Kumar Jha is the Director (Production and Marketing) of our Company. He was appointed on July 05, 2016 pursuant to the MoD letter No. 2(13)/2015/MDN/D (NS-I) dated May 21, 2016. The current terms and conditions of his employment were prescribed by the Order 2016. Some of the key terms and conditions amongst others as revised from time to time are as under.

Term	5 (five) years with effect from July 05, 2016 or till the date of his superannuation or until further orders
Pay	Basic pay of ₹ 75,000* and personal pay of ₹ 30,864 per month in the scale of ₹ 65,000-75,000 from the date of assumption of office ***Our Company has received a letter dated December 12, 2017 from the Department of Defence Production approving revision of pay scales, allowances and perquisites for board level and below board level executives and non-unionised supervisors. Accordingly, the Directors are drawing a revised pay with effect from December, 2017.
Headquarters	Hyderabad - 500 058, Telangana, India
Dearness allowance	In accordance with the new IDA scheme spelt out in DPE's OM dated November 26, 2008 and April 02, 2009
Housing	House rent allowance as per rates indicated in OM dated November 26, 2008 or residential accommodation provided by the Company, subject to recovery of rent for the accommodation so provided
Annual increment	3% of the basic pay
Conveyance	Entitled to facility of staff car as per the instructions contained in the DPE's OM/2(23)/11-DPE(WC)-GL-V/13dated January 21, 2013 except para 1(G) which has been withdrawn by further OM of DPE dated November 04, 2013
Performance related payment	As per OMs dated November 26, 2008, February 09, 2009 and April 02, 2009
Other benefits and perquisites/ superannuation	Perquisites subject to maximum ceiling of 50% of his basic pay as indicated in DPE's OM dated November 26, 2008, April 02, 2009 and June 11, 2013. Superannuation benefits will be based on approved schemes as per OMs dated November 26, 2008, February 09, 2009
Leave	As per the leave rules of CPSE
Restriction on joining private commercial undertakings after retirement/resignation	He shall not accept any appointment or post, whether advisory or administrative, in any firm or company, whether Indian or foreign, with which the CPSE had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government as per the DPE OM No. 2(22)/9-GM-GL-91 dated May 15, 2008 and DPE OM No. 2(22)/99-GM dated June 03, 2008
Conduct, discipline and appeal rules	Conduct, Discipline and Appeal Rules framed by CPSE in respect of their non-workmen category of staff would mutatis mutandis apply to him also

Details of service contracts entered into by the directors with the issuer providing for benefits upon termination of employment

Except in the case of whole-time directors (as aforementioned) there exist no service contracts, entered into by our Company with any Directors for provision of benefits or payments upon termination.

Shareholding of the Directors

The Articles of Association do not require the Directors to hold any qualification shares in our Company. The shareholding of the Directors as a nominee of the President of India in our Company, as on the date of this Prospectus is mentioned below:

Sr. No.	Name	No. of Equity Shares	Shareholding (%)
1.	Dr. Dinesh Kumar Likhi	1	Negligible
2.	Sanjay Kumar Jha	Nil	-
3.	Sanjeev Singhal	Nil	-
4.	Indraganty Venkateswara Sarma	Nil	-
5.	Dr. Jyoti Mukhopadhyay	Nil	-
6.	Dr. Usha Ramachandra	Nil	-
7.	Surendra Sinh	Nil	

Bonus or Profit Sharing Plan of the Directors

Our Company has formulated the 'Performance Related Payment Scheme' *vide* office order number PERL/075/2010 dated April 28, 2010 which is in accordance with the DPE orders on pay-revision dated November 26, 2008, February 9, 2009, and April 2, 2009, which stipulate the procedures on performance management system. Our Chairman and Managing Director and the whole time Directors are eligible for approved performance related payment, in terms of the same.

Loans taken by the Directors

Our Directors have not taken any loan from our Company.

Interests of Directors

Our Directors have no interest in the promotion or formation of our Company.

The Chairman and Managing Director and the whole time Directors may be regarded as interested to the extent of the remuneration payable to them for services rendered as whole time Directors of our Company and to the extent of other reimbursements of expenses payable to them as per their terms of appointment.

The Independent Directors are paid sitting fees for attending the meetings of the Board and committees of the Board and to the extent of other reimbursements of expenses payable as per their terms of appointment.

The nominee Directors of the GoI are not entitled to remuneration or sitting fee or any other remuneration from our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Except as stated in *"Related Party Transactions"* on page 139, the Directors of our Company do not have any other interest in the business of our Company.

None of our Directors are interested in any transaction of our Company in acquisition of land, construction of building and supply of machinery. Further, none of our Directors are related to an entity from whom our Company has acquired land or proposes to acquire land.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Some of the Directors also hold Equity Shares in our Company as nominee shareholders of the President of India to comply with requirement of the minimum number of shareholders as per the Companies Act.

Further, the Directors of our Company have no interest in any property acquired by our Company within two years of the date of this Prospectus or proposed to be acquired by our Company.

Our Directors do not have any interest in appointment of the BRLMs, Registrar to the Offer, Banker to the Offer or any such intermediaries registered with SEBI.

As on date, no relatives of any of the Directors have been appointed to any office or place of profit in our Company. No proceedings/ investigations have been initiated by SEBI against any of our Directors.

None of the sundry debtors of our Company is related to our Directors or us, in any way.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms and trusts, if any, in which they are interested as directors, promoters, and/or trustees pursuant to the offer. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares, if any.

Changes in the Board in the last three years

The changes in the Board in the last three years are as follows:

Sr. No.	Name	Date of Appointment	Date of Cessation	Reason
1.	Malakondaiah Guntupalli	-	April 16, 2015	Cessation
2.	Amol Anant Gokhale	-	July 31, 2015	Cessation
3.	Myneni Narayana Rao	-	August 31, 2015	Cessation
4.	Dr. Dinesh Kumar Likhi	September 01, 2015	-	Appointment
5.	Indraganty Venkateswara Sarma	December 01, 2015	-	Appointment
6.	Dr. Jyoti Mukhopadhyay	December 01, 2015	-	Appointment
7.	Dr. Usha Ramachandra	December 01, 2015	-	Appointment
8.	Sanjay Garg	March 03, 2016	December 06, 2017	Cessation
9.	Kusum Singh	-	March 03, 2016	Cessation
10.	Sanjay Kumar Jha	July 05, 2016	-	Appointment
11.	Govind Raj Bindiganavale	-	January 01, 2017	Cessation
12.	Sanjeev Singhal	January 06, 2017	-	Appointment
13.	Surendra Sinh	October 09, 2017	-	Appointment

Corporate Governance

The provisions of the Companies Act and the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares with the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance, as specified in the SEBI Listing Regulations and the Companies Act, relating to the constitution of committees such as the Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and CSR and SD Committee and adoption of the board diversity policy, nomination and remuneration policy, policy on related party transactions, vigil mechanism for directors and employees, whistle blower policy, policy on insider trading regulations, policy on preservation of documents and policy for determining materiality of an event/information for making adequate disclosure of such an event/information before the stock exchanges. Furthermore, in compliance with the SEBI Listing Regulations and the Companies Act, we have a woman director on the Board of Directors.

Pursuant to the SEBI Exemption Letter 2, our Company has been exempt under the SEBI ICDR Regulations and SEBI Listing Regulations on the following: (a) role of Audit Committee in recommending appointment of auditors and its role in auditor remuneration under Regulation 18(3) read with Schedule II of the SEBI Listing Regulations; (b) role of nomination and remuneration committee on identifying persons as directors, recommending appointment and renewal of directors, term of directors, performance evaluation and board diversity under Regulation 19(4) and Schedule II of the SEBI Listing Regulations. Under the SEBI Exemption Letter 2, our Company has been exempted from continuous disclosure requirements under Regulation 30 of the SEBI Listing Regulations with respect to the information which are exempted from being disclosed to the extent such information are confidential in nature.

The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board with detailed reports on its performance periodically.

The details of the Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and CSR and SD Committee are given below:

Committees of the Board

Our Company has constituted the Audit Committee and the Stakeholders Relationship Committee for compliance with corporate governance requirements in addition to other non-mandatory committee:

(a) Audit Committee

Our Company has constituted an Audit Committee, by a resolution adopted by the Board dated December 04, 2001 pursuant to Section 292A of the Companies Act, 1956. The Committee was last reconstituted on November 17, 2017 in order to comply with Section 177 of the Companies Act, 2013 and regulation 18 of the SEBI Listing Regulations. It presently comprises of the following members:

Name of the Directors	Designation
Dr. Usha Ramachandra	Chairperson
Indraganty Venkateswara Sarma	Member
Dr. Jyoti Mukhopadhyay	Member
Sanjay Kumar Jha	Member

The Company Secretary is the secretary of the Audit Committee.

Scope and terms of reference:

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act, 2013, regulation 18(3) of the SEBI Listing Regulations, to the extent applicable to our Company and the guidelines on corporate governance on CPSE issued by the DPE.

Terms of reference for the Audit Committee are as follows:

The role of the Audit Committee shall include the following:

(a) oversee the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) make recommendation for appointment~~,~~ remuneration and terms of appointment of auditors of the Company based on the order of Comptroller & Auditor General of India, being Government Company, as applicable;

(c) approve payment to statutory auditors for any other services rendered by them;

(d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (i) matters required to be included in the Director’s Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;

   (ii) changes, if any, in accounting policies and practices and reasons for the same;

   (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

   (iv) significant adjustments made in the financial statements arising out of audit findings;

   (v) compliance with listing and other legal requirements relating to financial statements;

   (vi) disclosure of any related party transactions; and

   (vii) Modified opinion(s) in the draft audit report.

(e) Review, with the management, the quarterly financial statements before submission to the board of directors for their approval;

(f) Review, 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

(g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) Approve or subsequently modify transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Conduct valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluate internal financial controls and risk management systems;

(l) Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) Review 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;

(n) Discuss with internal auditors of any significant findings and follow up there on;

(o) Review 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;

(p) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) To review the functioning of the whistle blower mechanism;

(s) Approve the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;

(t) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Companies Act, 2013 or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

(u) To review the follow up action on the audit observations of the C&AG audit;

(v) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors; and

The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(f) statement of deviations in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

   (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s)in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(ii) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee shall have powers, which should include the following:

(a) to investigate any activity within its terms of reference;

(b) to seek information from any employee of the Company;

(c) to obtain outside legal or other professional advice; and

(d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted on November 17, 2017 pursuant to the Board resolution dated November 17, 2017. The Stakeholders Relationship Committee presently comprises of the following members:

Name of the Directors	Designation
Surendra Sinh	Chairman
Sanjay Kumar Jha	Member
Sanjeev Singhal	Member

Scope and terms of reference:

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non- receipt of declared dividends.

Terms of reference for the Stakeholders Relationship Committee are as follows:

1. Redressal of all securities holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

2. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

3. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

4. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

(c) Nomination and Remuneration Committee

The Remuneration Committee was constituted pursuant to the resolution passed by the Board at their meeting held on April 28, 2009. It was reconstituted and renamed as the Nomination and Remuneration committee pursuant to the resolution passed by the Board at their meeting held on November 17, 2017. Also, the present terms of reference of the Nomination and Remuneration Committee were adopted in the same meeting. It presently comprises of the following members:

Name of the Directors	Designation
I. V. Sarma	Chairman
Dr. Usha Ramachandra	Member
Dr. Jyoti Mukhopadhyay	Member
Surendra Sinh	Member

Scope and terms of reference:

The scope and function of the Nomination and Remuneration Committee is in accordance with section 178(1) of the Companies Act, 2013, regulation 19(4) of the SEBI Listing Regulations, to the extent applicable to our Company and the guidelines on corporate governance on CPSE issued by the DPE.

Terms of reference for the Nomination and Remuneration Committee are as follows:

1. Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-unionized supervisors of our Company;

2. Formulation and modification of schemes for providing perks and allowances for officers and non-unionized supervisors;

3. Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionized supervisors and the employees as the case may be; and

4. Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time.

(d) ***Corporate Social Responsibility and Sustainable Development Committee***

Corporate Social Responsibility ("**CSR**") Committee was constituted pursuant to the board meeting held on November 19, 2011. Further, a Sustainable Development ("**SD"**) Committee was constituted pursuant to the board meeting held on March 17, 2012. The aforesaid two committees were merged into CSR and SD Committee pursuant to the resolution dated February 14, 2014. The present constitution of the CSR and SD Committee is follows:

Name of the Directors	Designation
Dr. Dinesh Kumar Likhi	Chairman
Sanjeev Singhal	Member
Sanjay Kumar Jha	Member
Dr. Usha Ramachandra	Member

Scope and terms of reference:

1. Recommend CSR and sustainability development policy to the board;

2. Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;

3. To recommend the annual CSR and sustainability development plan and budget; and

4. Periodic review of CSR and sustainability development policy plans and budgets.

Other Committees*:*

IPO Committee

In addition to above committees our Board has also constituted an IPO Committee pursuant to a resolution dated November 17, 2017, which currently consist of;

Name of the member	Designation
Dr. Dinesh Kumar Likhi	Chairman
Sanjay Kumar Jha	Member
Sanjeev Singhal	Member

The terms of reference of the IPO Committee of our Company include the following:

1. To decide on the actual size (including Reservation), timing, pricing and all the terms and conditions of the Offer, including the price, and to accept any amendments, modifications, variations or alterations thereto subject to directions of Administrative Ministry.

2. To extend the Bid/Offer period, revise the Price Band, allow revision in the Offer for Sale portion (pursuant to instructions of the Selling Shareholder) in accordance with Applicable Laws;

3. To and enter into arrangements with the BRLMs, underwriters to the Offer, Syndicate Member to the Offer, brokers to the Offer, escrow collection bankers to the Offer, the registrar to the Offer, refund banks to the Offer, public issue account banks to the Offer, legal counsels to the Company and the BRLMs and any other agencies or persons or intermediaries to the Offer and to negotiate and finalize the terms of engagement letter, negotiation, finalization and execution of the offer agreement with the BRLMs;

4. To finalize, settle, execute and deliver or arrange the delivery of the registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds,

agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, legal counsels to the Company and the BRLMs, auditors, stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges"), BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorize one or more officers of the Company to negotiate, execute and deliver all or any of the afore-stated documents;

5. To finalize, settle, approve and adopt the DRHP, the RHP, the Prospectus, and the preliminary and final international wrap for the Offer together with any addenda, corrigenda or supplement thereto and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertaking/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authorities;

6. To make applications to seek clarifications and obtain approvals from, if necessary, the RBI or to any other statutory or governmental authorities in connection with the Offer and wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus;

7. To open and provide instructions for the operation of bank account(s) in terms of: (a) Section 40(3) of the Companies Act, 2013; (b) the escrow agreement, and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

8. To approve the code of conduct and other policies as may be considered necessary by the IPO Committee or as required under Applicable Laws (including the SEBI Listing Regulations), regulations or guidelines for the IPO Committee, officers of the Company and other employees of the Company;

9. To authorize any person to act on behalf of the Company and give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;

10. To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the Offer, if any;

11. To approve any corporate governance requirement that may be considered necessary by the IPO Committee or as may be required under applicable laws, regulations or guidelines in connection with the Offer;

12. To determine and finalize the bid opening and bid closing dates (including bid opening and closing dates for Anchor Investors), price band for the Offer, the offer price for Anchor Investors (in the event that the Offer is extended to anchor investors), approve the basis for allocation and confirm allocation of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs, and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the offer;

13. To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one the Stock Exchanges, with power to authorize one or more officers of the Company to sign all or any of the afore-stated documents;

14. To make applications for listing of the Equity shares on the National Stock Exchange of India Limited and the BSE Limited and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

15. To do all such deeds and acts as may be required to dematerialize the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorize one or more officers of the Company to execute all or any of the afore-stated documents;

16. To authorize and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the Offer;

17. To do all such acts, deeds, matters and things and execute all such other documents, give directions etc. as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors (if required), finalizing the basis of allocation and allotment of Equity Shares to the successful transferees and credit of Equity Shares to the demat accounts of the successful transferees in accordance with Applicable Laws, as are in the best interests of the Company;

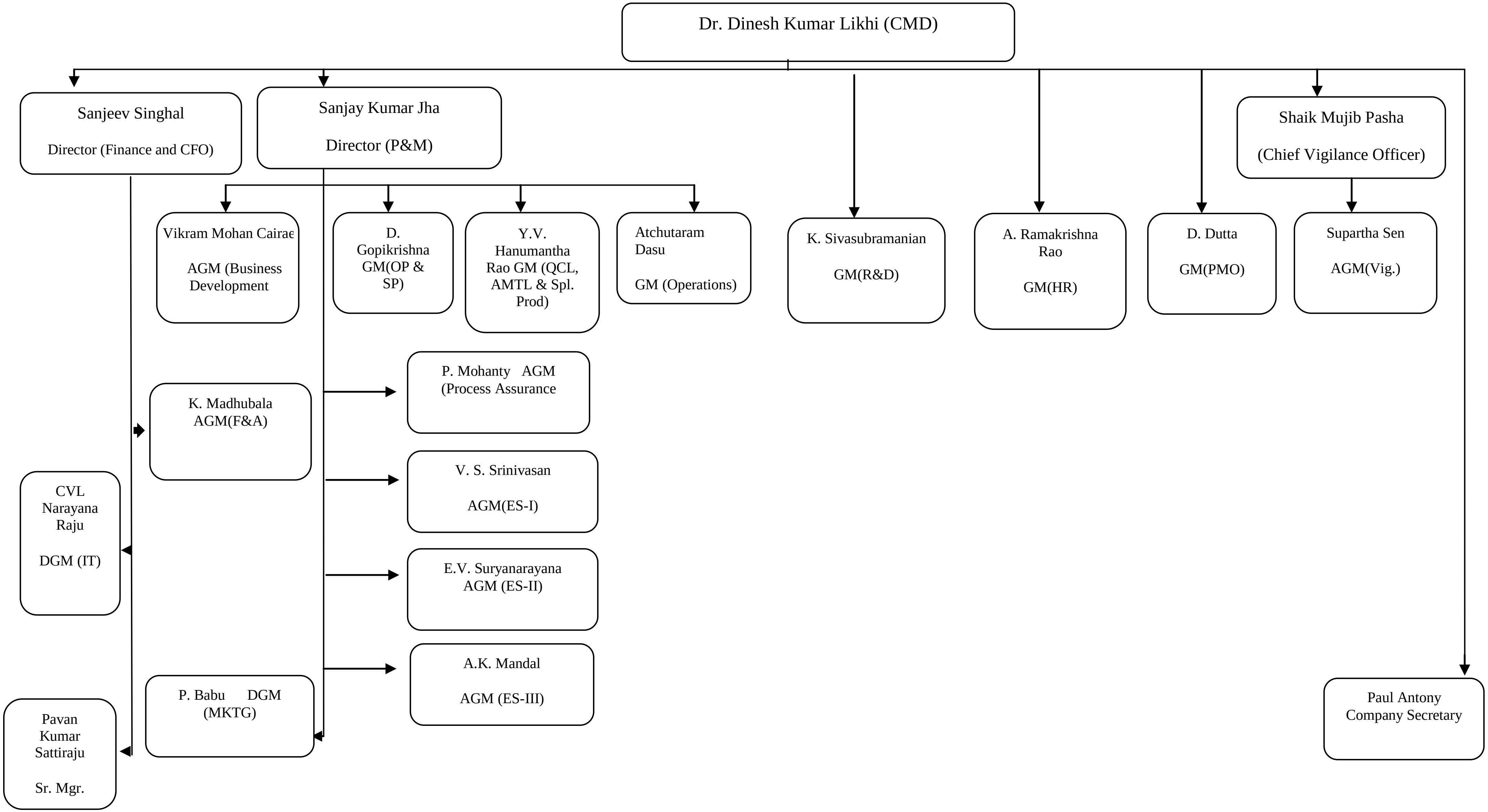
18. To settle all questions, difficulties or doubts that may arise in regard to such offer or transfer as it may, in its absolute discretion deem fit;

19. To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing;

20. To withdraw the DRHP or the RHP or to decide not to proceed with the Offer at any stage in accordance with instructions from the Selling Shareholder, the SEBI ICDR Regulations and Applicable Laws; and

21. To delegate any of the powers mentioned in (i) to (xx) as decided by the Committee for best interest of the Company and Selling Shareholder.

ORGANIZATION STRUCTURE OF OUR COMPANY



Key Management Personnel and Senior Management Personnel

Key Management Personnel

All the KMPs are permanent employees of our Company. In addition to the Chairman and Managing Director and whole time Directors, whose details have been provided above under *"Our Management – Brief biographies of the Directors"* on page 118, the details of the other KMPs, as of the date of this Prospectus, are set forth below:

Paul Antony

Paul Antony is associated with our Company since August 27, 2012 and is currently working as the Company Secretary and Compliance Officer. He is a qualified company secretary and is an associate member of the Institute of Company Secretaries of India. He is also a law graduate from the University of Pune.

Before joining our company, he worked with M/s. Imsofer Manufacturing India Private Limited as a company secretary. The remuneration paid to him in the last Fiscal was ₹ 0.83 million.

Service Contracts

Except for the appointment letters and subsequent office orders issued by our Company, our KMPs have not entered into any service contract in relation to their appointment and remuneration.

Changes in the KMPs in the last three years-

There has been no change in the KMPs during the last three years.

Shareholding of the KMPs

Except for Dr. Dinesh Kumar Likhi who holds one Equity Share as a nominee of the President of India in our Company, none of the KMPs holds any Equity Shares in their individual capacities.

Contingent and deferred compensation payable to the Directors/ KMPs

There is no contingent or deferred compensation payable to the Directors/KMPs, which does not form part of their remuneration.

Performance Related Payment Scheme for the KMPs

Our Company has formulated the 'Performance Related Payment Scheme' *vide* office order number PERL/075/2010 dated April 28, 2010 which is in accordance with the DPE orders on pay-revision dated November 26, 2008, February 9, 2009, and April 2, 2009, which stipulate the procedures on performance management system. Our Chairman and Managing Director and the whole time Directors are eligible for approved performance related payment, in terms of the same.

Interests of the KMPs

Except as disclosed in *"Our Management – Key Management Personnel"* and *"Our Management – Shareholding of the KMPs"* on page 134, none of the Key Management Personnel have any interest in our Company other than to the extent of remuneration and 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.

Except statutory benefits upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Payment or benefits to officers of our Company (*non-salary related*)

No non-salary amount or benefit has been paid or given to any officer of our Company in the last two years or is intended to be paid, other than their remuneration for the services rendered in the ordinary course of their employment.

Employee Stock Option Scheme

Our Company does not have any scheme of employee stock option or employee stock purchase scheme.

Relationships among KMPs and SMPs

None of the KMPs or SMPs are related to each other.

Family relationship of Directors with the KMPs and SMPs

None of the KMPs or SMPs are related to the Directors of our Company.

Loans taken by KMPs

Except as disclosed in the *"Financial Statements"* on page 141, our KMPs have not taken any loan from our Company.

Senior Management Personnel

Senior management personnel mentioned below are officers of our Company vested with executive powers and function at a level immediately below the Board. All these SMPs are permanent employees of our Company.

The details of the SMP, as of the date of this Prospectus, are set forth below:

A. Ramakrishna Rao

A. Ramakrishna Rao is associated with our Company since 2013 as General Manager (Human Resource). He possesses a degree of master in arts in Industrial Relations and Personnel Management from the Andhra University and a degree of bachelor of laws.

Before joining our company, he worked with Abhijeet Ferrotech Limited as a Deputy General Manager (Human Resource) and prior to that, he was associated with Matrix Laboratories Limited.

Y.V. Hanumantha Rao

Y.V. Hanumantha Rao is associated with our Company since 1987 and is currently designated as GM (QCL, AMTL and Spl. Prod.). He has completed his bachelor of technology from the University of Mysore and masters of technology from the IIT, Mumbai. He has a post graduate diploma in business administration from the Pondicherry University.

Before joining our company, he worked with Maturi Venkata Subba Rao Engineering College, as a lecturer till June, 1986.

K. Sivasubramanian

K. Sivasubramanian is associated with our Company since 1983 and is currently designated as General Manager (R&D). He is a metallurgical engineering graduate from the University of Madras.

D. Gopikrishna

D. Gopikrishna is associated with our Company since 1987 and is currently designated as General Manager (Operations and Strategic Planning). He is a metallurgical engineering graduate from the Regional Engineering College of West Bengal, post graduate in materials science from the IIT, Mumbai and a master in business administration from the Osmania University.

Debashish Dutta

Debashish Dutta is associated with our Company since 2013 and is currently designated as General Manager (Project Management Office).

Before joining our company, he worked with M/s. Shapoorji Pallonji & Co. Limited as an additional general manager (interfacing).

Dasu Atchutaram

Dasu Atchutaram is associated with our Company since 1984 and is currently designated as General Manager (Operations). He is a mechanical engineering graduate from the Andhra University and also possesses a degree of masters in business administration from the Osmania University.

Service Contracts

Except for the appointment letters and subsequent office orders issued by our Company, our SMPs have not entered into any service contract in relation to their appointment and remuneration.

Interests of the SMPs

None of the SMPs have any interest in our Company other than to the extent of remuneration and 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.

Except statutory benefits upon termination of their employment in our Company, resignation or superannuation, as the case may be, and certain post-retirement benefits, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

***Payment or benefits to officers of our Company* (*non-salary related*)**

No non-salary amount or benefit has been paid or given to any officer of our Company in the last two years or is intended to be paid, other than their remuneration for the services rendered in the ordinary course of their employment.

Changes in the SMPs in the last three years

There has been no change in the SMPs during the last three years.

Shareholding of the SMPs

None of the SMPs holds any Equity Shares in their individual capacities.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India acting through the MoD. Our Promoter, along with its nominees, currently holds 100% of the pre-Offer paid-up Equity Share capital of our Company. Assuming the sale of all Offered Shares, after this Offer, our Promoter shall hold 74 % of the post Offer paid-up Equity Share capital of our Company. As our Promoter is the President of India, acting through the MoD, disclosures on the Promoter Group (defined in regulation 2(zb) of the SEBI ICDR Regulations) as specified in Schedule VIII of the SEBI ICDR Regulations have not been provided.

OUR GROUP COMPANIES

As on the date of this Prospectus, we do not have any ‘Group Companies’, since there are no companies disclosed as related parties in the Restated Financial Statements of our Company prepared in accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India, and there are no companies that are considered material by our Board for identification as ‘Group Companies’, in accordance with the provisions of the SEBI ICDR Regulations.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscal Years, pursuant to the requirements under Accounting Standard 18 "*Related Party Disclosures*", issued by the Institute of Chartered Accountants of India, see "*Financial Statements"* on page 141.

DIVIDEND POLICY

As per CPSE Capital Restructuring Guidelines, all central public sector enterprises are required to pay a minimum annual dividend of 30 % of profit after tax or 5 % of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the AoA and the Companies Act. Further, the dividends, if any, will depend on a number of factors, including but not limited to our earnings, guidelines issued by the DPE, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into. For further details, refer to *"Financial Statements – Annexure X – Restated Statement of Dividend Paid"* and "*Financial Indebtedness*" on pages 204 and 267 respectively. Our Company may also, from time to time, pay interim dividends.

The dividend and dividend tax paid by our Company during the last five Fiscals is presented below:

	Fiscal 2017	**Fiscal 2016**	**Fiscal 2015**	**Fiscal 2014**	**Fiscal 2013**
Equity Shares					
Face value of Equity Shares (in ₹ per Equity Share)	10	10	10	10	10
Total Dividend (in ₹ million)	354.09	334.68	374.68	374.68	374.68
Number of Equity Shares	187,340,000	187,340,000	187,340,000	187,340,000	187,340,000
Dividend per Equity Share (₹)	1.89	1.79	2.00	2.00	2.00
Dividend Rate (%)	18.90%	17.86%	20.00%	20.00%	20.00%
Dividend tax (in ₹ million)	72.09	68.13	71.68	66.26	60.78

Note: Dividend amounting to ₹ 378.94 million has been paid on 25th October, 2017 for the FY 2016-17 pursuant to AGM held on 25th September, 2017.

The amounts distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. For further details, see *"Risk Factors"* on page 17. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION AS REQUIRED UNDER SECTION 26 OF COMPANIES ACT, 2013, READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014

To
The Board of Directors,
Mishra Dhatu Nigam Limited,
Corporate Office,
P.O. Kanchanbagh,
Hyderabad - 500058.

Dear Sirs,

1) We have examined the attached Restated Financial Information of Mishra Dhatu Nigam Limited (the "**Company**"), which comprises of the Restated Summary Statement of Assets and Liabilities as at September 30, 2017 & March 31, 2017, 2016, 2015, 2014 and 2013, the Restated Summary Statements of Profit and Loss (including other comprehensive income), the Restated Summary Statement of changes in equity for the six month period ended September 30, 2017 and each of the years ended March 31, 2017, 2016 and 2015, the Restated Summary Statements of Profit and Loss for the years ending March 31, 2014 and 2013 and the Restated Summary Statement of Cash Flows for the six month period ended September 30, 2017 and for each of the years ended March 31, 2017, 2016, 2015, 2014 and 2013 respectively, and the Summary of Significant Accounting Policies (collectively, the "Restated Financial Information") as approved by the Board of Directors of the Company prepared in terms of the requirements of :

    a) Sub-clauses (i) and (iii) of clause (b) sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("**the Rules**");

    b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("**ICDR Regulations**") and

    c) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "**Guidance Note**").

2) The preparation of the Restated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 11 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules, ICDR Regulations and the Guidance Note.

3) Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules, the ICDR Regulations and the Guidance Note.

4) We have examined such Restated 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 20-09-2017 in connection with the proposed Initial Public Offer through Offer for Sale by President of India acting through Ministry of Defence ("**IPO**") of the Company;

    b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI; and

c) The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5) These Restated Financial Information have been compiled by the management from the;

a) Audited interim condensed financial statements of the Company as at September 30, 2017 which has been approved by the Board of directors at their meeting held on November 17, 2017; and

b) Audited financial statements of the Company as at March 31, 2017 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2016, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on August 18, 2017.

c) Audited financial statements of the Company as at and for the years ended March 31, 2014 and 2013, prepared in accordance with the accounting standards notified under the section 133 of the Companies Act, 2013, ("Indian GAAP") which have been approved by the Board of directors at their meetings held on July 2, 2014 and August 7, 2013 respectively; and

The Restated Financial Information also contains the Proforma Ind AS financial statements as at and for the year ended March 31, 2015. These Proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015 which have been approved by the Board of directors at their meeting held on November 17, 2017 as described in Note 46 B.6, B.7 & B.8 of Annexure V

d) The audit for the six months period ended September 30, 2017 and the Financial Year ended March 31, 2017 has been conducted by us. Whereas, the audit for the Financial Years ended March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 was conducted by previous auditors, M/s. V.RAO & GOPI, Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e., March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are based solely on the report submitted by M/s. V.RAO & GOPI, Chartered Accountants.

Based on the above, the we report that in our opinion and according to the information and explanations given to us, the above interim financial information are in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable and interim financial information are presented with the Restated Financial Information appropriately.

6) Based on our examination, we report that:

a) The proforma financial information as at and for the year ended March 31, 2015 are prepared after making proforma adjustments as mentioned in Note 46 B.6 of Annexure V.

b) The Restated Summary Statement of Assets and Liabilities of the Company, as at and for the six months period ended September 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure- I and as at and for the years ended March 31, 2014 and 2013 under Indian GAAP, as set out in Annexure-I A to this report.

c) The Restated Summary Statement of Profit and Loss (including other comprehensive income) of the Company, for the six months period ended September 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-II and The Restated Summary Statement of Profit and Loss for the years ended March 31,2014 and 2013 under Indian GAAP, as set out in Annexure-II A to this report are after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexures-VI and VA respectively: Restated Summary Statement of Adjustment for restatement of Profit & Loss.

d) The Restated Summary Statement of changes in equity of the Company, for the six months period ended September 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-III to this report.

e) The Restated Summary Statement of Cash Flows of the Company, for the six months period ended September 30, 2017 and for the years ended March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-IV and for the years ended March 31, 2014 and 2013 under Indian GAAP, as set out in Annexure-III A to this report.

f) Based on the above and according to the information and explanations given to us, we further report that the Restated Financial Information:

   i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

   ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

   iii) do not contain any extra-ordinary items that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments.

7) We have also examined the following restated financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on November 17, 2017 as at and for the six months period ended September 30, 2017 and for the year ended March 31, 2017, 2016 and 2015:

   i) Summary of Significant Accounting Policies included in Note 2 to Annexure V
   ii) Restated Summary Statement of Property, plant and equipment included in Note 3 to Annexure V
   iii) Restated Summary Statement of Intangible assets included in Note 4 to Annexure V
   iv) Restated Summary Statement of Capital work in Progress included in Note 5 to Annexure V
   v) Restated Summary Statement of Non-current investments included in Note 6 to Annexure V
   vi) Restated Summary Statement of Loans included in Note 7 to Annexure V
   vii) Restated Summary Statement of Non-current tax assets (net) included in Note 8 to Annexure V
   viii) Restated Summary Statement of Other non-current assets included in Note 9 to Annexure V
   ix) Restated Summary Statement of Inventories included in Note 10 to Annexure V
   x) Restated Summary Statement of Trade receivables included in Note 11 to Annexure V
   xi) Restated Summary Statement of Cash and cash equivalents included in Note 12 to Annexure V
   xii) Restated Summary Statement of Other financial assets included in Note 13 to Annexure V
   xiii) Restated Summary Statement of Other Current Assets included in Note 14 to Annexure V
   xiv) Restated Summary Statement of Equity Share capital included in Note 15 to Annexure V
   xv) Restated Summary Statement of Other Equity included in Note 16 to Annexure V
   xvi) Restated Summary Statement of Borrowings (Non-Current) included in Note 17 to Annexure V
   xvii) Restated Summary Statement of Other financial liabilities (Non-Current) included in Note 18 to Annexure V
   xviii) Restated Summary Statement of Provisions (Non-Current)included in Note 19 to Annexure V
   xix) Restated Summary Statement of Deferred tax liabilities (Net) included in Note 20 to Annexure V
   xx) Restated Summary Statement of Other Non-current liabilities included in Note 21 to Annexure V
   xxi) Restated Summary Statement of Borrowings (Current) included in Note 22 to Annexure V
   xxii) Restated Summary Statement of Trade payables included in Note 23 to Annexure V

xxiii) Restated Summary Statement of Other Financial Liabilities included in Note 24 to Annexure V
xxiv) Restated Summary Statement of other Current Liabilities included in Note 25 to Annexure V
xxv) Restated Summary Statement of provisions (Current) included in Note 26 to Annexure V
xxvi) Restated Summary Statement of Revenue From Operations included in Note 27 to Annexure V
xxvii) Restated Summary Statement of Other Income included in Note 28 to Annexure V
xxviii) Restated Summary Statement of Cost of Material consumed included in Note 29 to Annexure V
xxix) Restated Summary Statement of Excise Duty included in Note 30 to Annexure V
xxx) Restated Summary Statement of Change in Inventories included in Note 31 to Annexure V
xxxi) Restated Summary Statement of Employee benefits expense included in Note 32to Annexure V
xxxii) Restated Summary Statement of Finance Cost included in Note 33 to Annexure V
xxxiii) Restated Summary Statement of Other expenses included in Note 34 toAnnexure V
xxxiv) Restated Summary Statement of Income Tax expense included in Note 35 to Annexure V
xxxv) Statement of Additional Information to the Restated Financial Information in Notes 36-39 and Notes 41-45 to Annexure V
xxxvi) Statement of Related Party Disclosures included in Note 40 to Annexure V
xxxvii) Adjustment for Restatement of Profit and Loss included in Annexure VI
xxxviii) Restated Statement of Accounting Ratios included in Annexure VII
xxxix) Restated Statement of Capitalisation included in Annexure VIII
xl) Restated Statement of Tax Shelters included in Annexure IX
xli) Restated Statement of Dividend Paid included in Annexure X

According to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s. V.Rao & Gopi, in our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I to X accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-V Note 2 are prepared after making adjustments and regroupings/reclassifications as considered appropriate[Refer Annexure-VI] and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

8) We have also examined the following restated financial information of the Company set out in the Annexures prepared by the Management and approved by the Board of Directors on November 17, 2017 for the years ended March 31, 2014 and 2013.

i) Summary of Significant Accounting Policies included in Note 2 to Annexure IV A
ii) Restated Summary Statement of Share Capital included in Note 3 to Annexure IVA
iii) Restated Summary Statement of Reserves and Surplus included in Note 4 to Annexure IV A
iv) Restated Summary Statement of Long-term borrowings included in Note 5 to Annexure IV A
v) Restated Summary Statement of Deferred Tax Liabilities (net) included in Note 6 to Annexure IV A
vi) Restated Summary Statement of Other Long-term Liabilities included in Note 7 to Annexure IV A
vii) Restated Summary Statement of Long-term Provisions included in Note 8 to Annexure IV A
viii) Restated Summary Statement of Short-term Borrowings included in Note 9 to Annexure IV A
ix) Restated Summary Statement of Trade Payables included in Note 10 to Annexure IV A
x) Restated Summary Statement of Other Current Liabilities included in Note 11 to Annexure IV A
xi) Restated Summary Statement of Short-term Provisions included in Note 12 to Annexure IV A
xii) Restated Summary Statement of Fixed Assets included in Note 13 to Annexure IV A
xiii) Restated Summary Statement of Capital Work-in-Progress included in Note 14 to Annexure IV A
xiv) Restated Summary Statement of Non-current Investments included in Note 15 to Annexure IV A
xv) Restated Summary Statement of Long term Loans and Advances included in Note 16 to Annexure IV A
xvi) Restated Summary Statement of Other Non-Current Assets included in Note 17 to Annexure IV A
xvii) Restated Summary Statement of Inventories included in Note 18 to Annexure IV A
xviii) Restated Summary Statement of Trade Receivables included in Note 19 to Annexure IV A
xix) Restated Summary Statement of Cash and Bank Balances included in Note 20 to Annexure IV A
xx) Restated Summary Statement of Short-term Loans and Advances included in Note 21 to Annexure IV A
xxi) Restated Summary Statement of Other Current Assets included in Note 22 to Annexure IV A
xxii) Restated Summary Statement of Revenue from Operations included in Note 23 to Annexure IV A

xxiii) Restated Summary Statement of Other Income included in Note 24 to Annexure IV A
xxiv) Restated Summary Statement of Cost of material consumed included in Note 25 to Annexure IV A
xxv) Restated Summary Statement of Change in Inventories included in Note 26 to Annexure IV A
xxvi) Restated Summary Statement of Employee Benefits& Expense included in Note 27to Annexure IV A
xxvii) Restated Summary Statement of Finance Costs included in Note 28 to Annexure IV A
xxviii) Restated Summary Statement of Other Expenses included in Note 29 to Annexure IV A
xxix) Restated Summary Statement of Extra Ordinary Items included in Note 30 to Annexure IV A
xxx) Statement of Notes forming part of the Financial Statement inNote 31 Annexure IVA
xxxi) Adjustment for Restatement of Profit and Loss included in Annexure VA
xxxii) Restated Statement of Accounting Ratios included in Annexure VI A
xxxiii) Restated Statement of Capitalisation included in Annexure VII A
xxxiv) Restated Statement of Tax Shelters included in Annexure VIII A
xxxv) Restated Statement of Dividend Paid included in Annexure IX A

According to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditors, M/s. V.Rao & Gopi, in our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I A to IX A accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure- IVA are prepared after making adjustments and regroupings/reclassifications as considered appropriate [Refer Annexure-V A] and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

9) This report should not in any way be construed as are issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, the concerned Stock Exchanges and Registrar of Companies, Telengana at Hyderabad in connection with the proposed 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 **BASHA & NARASIMHAN**,
Chartered Accountants
Firm’s Registration NO.006031S

K.NARASIMHA SAH
Partner
Membership Number: 201777

Place: Hyderabad
Date: 06-02-2018

MISHRA DHATU NIGAM LIMITED

ANNEXURE-I

Restated Summary Statement of Assets and Liabilities

(₹ in Million)

Particulars	Note No.	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
ASSETS:					
Non-current assets					
Property, Plant and Equipment	3	3,236.48	3,264.39	2,614.63	2,423.36
Capital work-in-progress	5	542.41	62.05	66.90	94.41
Intangible assets	4	6.60	9.38	14.94	19.44
Financial Assets					
(i) Investments	6	21.01	21.01	21.01	21.01
(ii) Loans	7	0.04	0.04	0.07	0.12
Non current tax assets (Net)	8	390.12	293.41	637.11	534.05
Other non-current assets	9	157.07	93.71	16.64	33.13
Total Non-Current Assets		**4,353.73**	**3,743.99**	**3,371.30**	**3,125.52**
Current assets:					
Inventories	10	2,507.95	2,060.42	2,885.45	4,230.15
Financial Assets					
(i) Trade receivables	11	2,222.58	2,885.30	2,090.54	2,200.80
(ii) Cash and cash equivalents	12	2,605.25	2,079.26	1,958.62	894.04
(iii) Other financial assets	13	135.01	116.81	122.08	135.96
Other current assets	14	474.36	124.59	780.50	1,044.16
Total Current Assets		**7,945.15**	**7,266.38**	**7,837.19**	**8,505.11**
Total Assets		**12,298.88**	**11,010.37**	**11,208.49**	**11,630.63**
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	15	1,873.40	1,873.40	1,873.40	1,873.40
Other Equity	16	5,460.93	5,170.04	4,323.30	3,527.18
Total Equity		**7,334.33**	**7,043.44**	**6,196.70**	**5,400.58**
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	17	8.28	12.36	90.15	133.40
(ii) Other Financial Liabilities	18	468.83	173.37	164.55	142.22
Provisions	19	7.57	7.57	6.64	5.65
Deferred tax liabilities (net)	20	243.89	204.41	226.48	127.44
Other non-current liabilities	21	1,108.67	1,089.08	1,474.78	1,293.98
Total Non-current liabilities		**1,837.24**	**1,486.79**	**1,962.60**	**1,702.69**
Current Liabilities					
Financial liabilities					
(i) Borrowings	22	646.99	125.51	0.01	414.77
(ii) Trade payables	23	904.36	660.31	529.51	951.72
(iii) Other financial liabilities	24	578.39	576.42	472.45	767.74
Other current liabilities	25	754.13	830.87	1,442.35	1,931.47
Provisions	26	243.44	287.03	604.87	461.66
Total Current Liabilities		**3,127.31**	**2,480.14**	**3,049.19**	**4,527.36**
Total Equity and Liabilities		**12,298.88**	**11,010.37**	**11,208.49**	**11,630.63**

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V, Adjustment for Restatement of Profit and Loss in Annexure VI, Restated Statement of Accounting Ratios in Annexure-VII, Restated Statement of Capitalisation in Annexure-VIII, Restated Statement of Tax Shelters in Annexure IX and Restated Statement of Dividend Paid in Annexure X.

See accompanying notes forming part of the Restated Financial Information 1 to 46

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

MISHRA DHATU NIGAM LIMITED

ANNEXURE-II

Restated Summary Statement of Profit and Loss

(₹ in Million)

Particulars	Note No.	For the period ended 30th September 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
Revenue From Operations	27	2,080.63	8,097.07	7,614.49	6,557.01
Other Income	28	125.98	233.83	289.99	226.86
Total Income		**2,206.61**	**8,330.90**	**7,904.48**	**6,783.87**
Expenses					
Cost of material consumed	29	442.20	1,938.28	2,449.05	2,119.56
Excise Duty	30	43.69	364.26	449.46	83.25
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	(303.88)	776.41	379.66	73.31
Employee benefits expense	32	492.11	1,092.85	907.35	988.52
Finance Costs	33	15.16	46.76	41.86	70.43
Depreciation and amortization expense	3, 4	93.67	176.64	140.65	97.87
Other expenses	34	954.16	2,072.17	1,918.00	1,943.46
Total Expenses		**1,737.11**	**6,467.37**	**6,286.03**	**5,376.39**
Profit / (Loss) before exceptional items and tax		**469.50**	**1,863.53**	**1,618.45**	**1,407.48**
Exceptional Items					
Profit / (Loss) before tax		**469.50**	**1,863.53**	**1,618.45**	**1,407.48**
Tax expense	35				
Current Tax		157.01	620.63	380.80	304.86
Earlier Year Tax		-	1.84	(13.39)	3.18
MAT Credit Entitlement				(21.66)	(20.04)
Deferred Tax		39.48	(22.07)	79.00	83.23
Profit / (Loss) for the period		**273.01**	**1,263.13**	**1,193.70**	**1,036.25**
Other Comprehensive Income					
A (i) Items that will not be reclassified to profit or loss		27.34	14.97	8.00	24.41
(ii) Income tax relating to items that will not be reclassified to profit or loss		(9.46)	(5.18)	(2.77)	(8.45)
B (i) Items that will be reclassified to profit or loss		-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year net of tax		**17.88**	**9.79**	**5.23**	**15.96**
Total Comprehensive Income for the period		**290.89**	**1,272.92**	**1,198.93**	**1,052.21**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)					
Earning per equity share (Amount in ₹)					
Basic and Diluted EPS (₹)		1.46	6.74	6.37	5.53
Face value of share (₹)		10.00	10.00	10.00	10.00
Weighted average number of shares (Nos.)		18,73,40,000	18,73,40,000	18,73,40,000	18,73,40,000

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V, Adjustment for Restatement of Profit and Loss in Annexure VI, Restated Statement of Accounting Ratios in Annexure-VII, Restated Statement of Capitalisation in Annexure-VIII, Restated Statement of Tax Shelters in Annexure IX and Restated Statement of Dividend Paid in Annexure X.

See accompanying notes forming part of the Restated Financial Information 1 to 46

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

MISHRA DHATU NIGAM LIMITED

ANNEXURE-III

Restated Summary Statement of Changes in Equity

A: Equity Share Capital

(₹ in Million)

Particulars	Amount
Balance as at 31st March 2015 (Proforma)	1,873.40
Changes in Equity Share Capital	-
Balance as at 31st March 2016	**1,873.40**
Changes in Equity Share Capital	-
Balance as at 31st March 2017	**1,873.40**
Changes in Equity Share Capital	-
Balance as at 30th September 2017	**1,873.40**

B. Other Equity

(₹ in Million)

	Reserves and Surplus		Other Comprehensive Income	
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	Total Other Equity
Balance as at 31st March 2015 (Proforma)	**433.63**	**3,077.59**	**15.96**	**3,527.18**
Profit for the period	1,193.70			**1,193.70**
Remeasurement of the net defined benefit liability / asset, net of tax effect			5.23	**5.23**
Dividends	(334.68)			**(334.68)**
Dividend Distribution Tax	(68.13)			**(68.13)**
Transfer to General Reserve	(730.00)	730.00		-
Balance as at 31st March 2016	**494.52**	**3,807.59**	**21.19**	**4,323.30**
Opening Balance	**494.52**	**3,807.59**	**21.19**	**4,323.30**
Profit for the period	1,263.13			**1,263.13**
Remeasurement of the net defined benefit liability / asset, net of tax effect			9.79	**9.79**
Dividends	(354.09)			**(354.09)**
Dividend Distribution Tax	(72.09)			**(72.09)**
Transfer to General Reserve	(1,200.00)	1,200.00		-
Balance as at 31st March 2017	**131.47**	**5,007.59**	**30.98**	**5,170.04**
Opening Balance	**131.47**	**5,007.59**	**30.98**	**5,170.04**
Profit for the period	273.01			**273.01**
Remeasurement of the net defined benefit			17.88	**17.88**
Dividends				-
Dividend Distribution Tax				-
Transfer to General Reserve	(400.00)	400.00		-
Balance as at 30th September 2017	**4.48**	**5,407.59**	**48.86**	**5,460.93**

Note:
The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V, Adjustment for Restatement of Profit and Loss in Annexure VI, Restated Statement of Accounting Ratios in Annexure-VII, Restated Statement of Capitalisation in Annexure-VIII, Restated Statement of Tax Shelters in Annexure IX and Restated Statement of Dividend Paid in Annexure X.

See accompanying notes forming part of the Restated Financial Information 1 to 46

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

MISHRA DHATU NIGAM LIMITED

ANNEXURE-IV

Restated Summary Statement of Cash Flows

(₹ in Million)

Particulars	For the period ended 30th September 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
Cash flows from operating activities				
Profit/(loss) for the year (before tax)	496.84	1,878.50	1,626.45	1,431.89
Adjustments for:				
Depriciation expense	93.67	176.64	140.65	97.87
Finance costs	15.16	46.76	41.86	70.43
Interest income	(92.92)	(172.68)	(108.15)	(105.82)
Profit / Loss on sale of Fixed Assets	0.20	0.24	(0.02)	(0.64)
	512.95	1,929.46	1,700.79	1,493.73
Working capital adjustments:				
(Increase) decrease in inventories	(447.53)	825.03	1,344.70	297.72
(Increase) decrease in trade receivables and loans	662.72	(794.73)	110.31	1,313.32
(Increase) decrease in other financial assets	(18.20)	5.27	13.88	70.08
(Increase) decrease in other non-current assets	(63.36)	(77.07)	16.49	(19.23)
(Increase) decrease in other current assets	(349.77)	655.91	263.66	(358.95)
Increase (decrease) in trade payables	244.05	130.80	(422.21)	(17.64)
Increase (decrease) in other financial liabilities	297.43	112.79	(272.96)	188.80
Increase (decrease) in provisions	(43.59)	6.41	93.97	13.56
Increase (decrease) in non-current liabilities	19.59	(385.70)	180.80	(1,162.16)
Increase (decrease) in other current liabilities	(76.74)	(611.48)	(489.12)	(965.69)
Cash generated from operating activities	737.55	1,796.69	2,540.31	853.54
Income tax paid (net)	(263.18)	(607.27)	(381.31)	(382.18)
Net cash from operating activities (A)	474.37	1,189.42	2,159.00	471.36
Cash flow from investing activities				
Acquisition of property, plant and equipment	(543.33)	(815.99)	(299.91)	(311.39)
Profit / Loss on sale of Fixed Assets	(0.20)	(0.24)	0.02	0.64
Interest received	92.92	172.68	108.15	105.82
Investment in fixed deposits	(848.87)	(4.95)	(874.98)	110.00
Net cash from investing activities (B)	(1,299.48)	(648.50)	(1,066.72)	(94.93)
Cash flows from financing activities				
Repayment of borrowings	517.40	47.71	(458.01)	87.91
Dividend on shares	-	(426.18)	(402.81)	(446.36)
Interest paid	(15.16)	(46.76)	(41.86)	(70.43)
Net cash flow from (used in) financing activities (C)	502.24	(425.23)	(902.68)	(428.88)
Net decrease in cash and cash equivalents (A+B+C)	(322.87)	115.69	189.60	(52.45)
Cash and cash equivalents at 1 April	339.33	223.64	34.04	86.49
Cash and cash equivalents at 30th September	16.45	339.33	223.64	34.04
Reconcilliation of cash and cash equivalents as per the balance sheet				
Cash and cash equivalents as per the cash flow statement	16.45	339.33	223.64	34.04
Other bank balances not considered above				
- Bank deposits with maturity more than 3 months	2,588.80	1,739.93	1,734.98	860.00
	2,605.25	2,079.26	1,958.62	894.04

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V, Adjustment for Restatement of Profit and Loss in Annexure VI, Restated Statement of Accounting Ratios in Annexure-VII, Restated Statement of Capitalisation in Annexure-VIII, Restated Statement of Tax Shelters in Annexure IX and Restated Statement of Dividend Paid in Annexure X.

See accompanying notes forming part of the Restated Financial Information 1 to 46

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-V

Notes forming part of the Restated Financial Information for the years ended 30th September 2017, 31st March 2017, 2016 and 2015

1. Company Overview

Mishra Dhatu Nigam Limited ("the Company") a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at 'P.O. Kanchanbagh, Hyderabad, 500058'.

The Restated Summary Statement of Assets and Liabilities of the Company as at 30th September 2017, 31st March 2017, 2016 and 2015 and the related Restated Summary Statement of Profit and Loss, Restated Summary Statement of Changes in Equity and Restated Summary Statement of Cash Flows for the six months period ended 30th September, 2017 and year ended 31st March 2017, 2016 and 2015 (hereinafter collectively referred to as "Restated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

The Restated Financial Information have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These Restated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Proforma financial information of the Company as at and for the year ended 31st March 2015, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31st March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1st April 2015) while preparing Proforma financial information for the FY 2014-15 and accordingly suitable restatement adjustments in the accounting heads have been made in the Proforma financial information. This Proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31st March 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

a) The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

b) These are the Company's first financial statements prepared in accordance with Ind AS and Ind AS 101 First-time Adoption of Ind AS has been applied.

c) The transition was carried out from Generally Accepted Accounting Principles in India (IGAAP), the mandatory Accounting Standards [as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind-AS has affected the reported balance sheet, statement of profit and loss and cash flows of the Company is provided in note on first time adoption.

ii. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements and in preparing the opening Ind AS balance sheet as at 1 April 2015 for the purposes of the transition to Ind AS, unless otherwise indicated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Sales revenue is measured at fair value net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contact, revenue is recognized when the goods are handed over to the carrier/agent for despatch to the buyer and wherever customer's prior inspection is stipulated, revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of despatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion at the reporting date.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. The Company has Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

The Company has Gratuity and contribution towards Provident Fund under this category.

iii. Compensated Absence

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

a) It is probable that future economic benefits associated with the item will flow to the Company and;
b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under “Other Current Assets” as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

Customer funded assets: As per the guidance of Appendix C of Ind AS 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind AS 16 in the books of accounts and depreciation is charged accordingly.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed ₹5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal:

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

iii. Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Inventories

Inventories are valued on the following basis:

i. **Raw materials, consumables, spares and Tools and Instruments in Central Stores**

At weighted average cost

ii. **Raw materials in Shop floor/ Sub-stores in the shops**

At weighted average rate of Central Stores, at the end of the year

iii. **Consumables in Shop floor/Sub-stores**

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

iv. **Re-usable process scrap, process rejections and sales rejections with customers for return**

At estimated realizable value for scrap.

v. **Tools and Gauges**

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

vi. **Work-in-process**

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. **Finished Goods**

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

Value of Finished Goods is inclusive of Excise Duty.

viii. Goods in transit are valued at cost.

ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value
Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.10 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.11 Financial instruments

i. Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.
The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.
The Company has the following financial liabilities: loans and borrowings and trade and other payables.
Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.12 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.14 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

2.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.16 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company has only domestic turnover. Therefore, there is no other reportable segment.

2.17 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are charged off on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.18 Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.19 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.20 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7-Statement of Cash Flows.

2.21 New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017, and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

3. Restated Summary Statement of Property, Plant and Equipment (₹ in Million)

	Land	Buildings/ Drainage/ water systems	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Other (Electrical installations)	Others (Roads and bridges)	Total Tangible Assets
Year ended 31st March 2016									
Gross Carrying amount									
Balance as at 31st March 2015 (Proforma)	12.88	213.04	2,093.23	14.74	13.07	16.89	59.17	0.35	2,423.36
Additions	-	4.36	295.75	5.68	8.74	7.85	7.15	-	329.52
Disposals	-	-	1.92	-	0.50	0.31	0.18	-	2.90
Closing gross carrying amount	**12.88**	**217.39**	**2,387.06**	**20.42**	**21.32**	**24.43**	**66.14**	**0.35**	**2,749.99**
Accumulated depreciation									
Depreciation charge during the year	-	9.55	105.33	2.69	3.24	6.13	8.55	-	135.48
Disposals	-	-	-	-	(0.06)	(0.05)	(0.01)	-	(0.13)
Closing accumulated depreciation	**-**	**9.55**	**105.33**	**2.69**	**3.17**	**6.08**	**8.53**	**-**	**135.35**
Net carrying amount	**12.88**	**207.84**	**2,281.73**	**17.74**	**18.14**	**18.35**	**57.60**	**0.35**	**2,614.63**
Year ended 31st March 2017									
Gross Carrying amount									
Opening gross carrying amount	12.88	217.39	2,387.06	20.42	21.32	24.43	66.14	0.35	2,749.99
Additions	-	190.66	414.71	6.30	8.18	17.14	184.22	-	821.21
Disposals	-	-	-	-	-	0.40	0.09	-	0.49
Closing gross carrying amount	**12.88**	**408.05**	**2,801.76**	**26.72**	**29.50**	**41.17**	**250.27**	**0.35**	**3,570.71**
Accumulated depreciation									
Opening accumulated depreciation	-	9.55	105.33	2.69	3.17	6.08	8.53	-	135.35
Depreciation charge during the year	-	14.03	123.83	3.21	3.78	5.40	20.84	-	171.08
Disposals	-	-	-	-	-	(0.09)	(0.03)	-	(0.12)
Closing accumulated depreciation	**-**	**23.57**	**229.16**	**5.89**	**6.95**	**11.39**	**29.34**	**-**	**306.31**
Net Carrying amount	**12.88**	**384.48**	**2,572.60**	**20.83**	**22.55**	**29.78**	**220.93**	**0.35**	**3,264.39**
Period ended 30th Sep 2017									
Gross Carrying amount									
Opening gross carrying amount	12.88	408.05	2,801.76	26.72	29.50	41.17	250.27	0.35	3,570.71
Additions	(0.00)	17.92	28.90	5.92	1.37	1.50	7.75	0.00	63.35
Disposals	-	-	-	-	-	0.56	-	-	0.56
Closing gross carrying amount	**12.88**	**425.97**	**2,830.66**	**32.64**	**30.87**	**42.11**	**258.02**	**0.35**	**3,633.50**
Accumulated depreciation									
Opening accumulated depreciation	-	23.57	229.16	5.89	6.95	11.39	29.34	-	306.31
Depreciation charge during the year	-	8.06	63.38	1.68	2.13	3.23	12.41	-	90.89
Disposals	-	-	-	-	-	(0.18)	-	-	(0.18)
Closing accumulated depreciation	**-**	**31.63**	**292.54**	**7.57**	**9.08**	**14.44**	**41.75**	**-**	**397.02**
Net Carrying amount	**12.88**	**394.34**	**2,538.12**	**25.07**	**21.79**	**27.67**	**216.27**	**0.35**	**3,236.48**

1. Conveyance deeds for 275 acres and 35 guntas of Land acquired are yet to be executed. Out of the above, the extent of land leased to the following parties: DRDO- 35 acres and 39 guntas, Telangana State Govt.- 1 acre, BDL- 1 acre, and 1.5 acres is under dispute on account of unauthorized possession by a third party.
2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.
3. Pending registration/receipt of claims no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)
4. Plant and Machinery includes ₹ 248.86 million (31-Mar-2017 ₹ 248.86 million, 31-Mar-2016 ₹ 218.60 million, 01-Apr-2015 ₹ 58.50 million) for R & D capital costs.
5. Company considered the salvage value as 5% of the Cost of Assets
6. Principal Asset costing ₹10 million and above only are identified for the purpose of componentization of assets.
7. Useful life adopted by the Company for calculation of Depreciation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013. The reduced useful life has been adopted in view of faster rate of wear and tear:-

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Life in Years	Amount ₹ in Million	Life in Years	Amount ₹ in Million	Amount ₹ in Million
Plant and Equipment	2.95	25	0	5	0	0
Furniture	0.44	10	0.02	5	0.03	0.01
TOTAL	**3.39**		**0.02**		**0.03**	**0.01**
Previous Year	3.53		0.08		1.18	1.1

4. Restated Summary Statement of Intangible Assets (₹ in Million)

	Computer software	Copyrights & Patents and other intellectual property rights, services and operating rights	Total Intangible Assets
Year ended 31st March 2016			
Gross Carrying amount			
Balance as at 31st March 2015 (Proforma)	18.52	0.92	19.44
Additions	0.00	1.00	1.00
Disposals	0.00	0.00	0.00
Closing gross carrying amount	**18.52**	**1.92**	**20.44**
Accumulated depreciation			
Depreciation charge during the year	5.17	0.33	5.50
Disposals	0.00	0.00	0.00
Closing accumulated depreciation	**5.17**	**0.33**	**5.50**
Net carrying amount	**13.35**	**1.59**	**14.94**
Year ended 31st March 2017			
Gross Carrying amount			
Opening gross carrying amount	18.52	1.92	20.44
Additions	0.00	0.00	0.00
Disposals	0.00	0.00	0.00
Closing gross carrying amount	**18.52**	**1.92**	**20.44**
Accumulated depreciation			
Opening accumulated depreciation	5.17	0.33	5.50
Depreciation charge during the year	5.17	0.39	5.56
Disposals	0.00	0.00	0.00
Closing accumulated depreciation	**10.34**	**0.72**	**11.06**
Net Carrying amount	**8.18**	**1.20**	**9.38**
Period ended 30th Sep 2017			
Gross Carrying amount			
Opening gross carrying amount	18.52	1.92	20.44
Additions	0.00	0.00	0.00
Disposals	0.00	0.00	0.00
Closing gross carrying amount	**18.52**	**1.92**	**20.44**
Accumulated depreciation			
Opening accumulated depreciation	10.34	0.72	11.06
Depreciation charge during the year	2.58	0.20	2.78
Disposals	0.00	0.00	0.00
Closing accumulated depreciation	**12.92**	**0.92**	**13.84**
Net Carrying amount	**5.60**	**1.00**	**6.60**

5. Restated Summary Statement of Capital work-in-progress (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Capital Work-in-Progress-Civil	6.52	16.00	22.57	4.13
Capital Work-in-Progress- Plant & Machinery Under Erection	432.43	44.23	34.93	90.28
Redundant / obsolete items	0.70	0.70	-	-
Less: Provision	0.70 -	0.70 -	- -	- -
Plant, Machinery & Equipment under Inspection & in Transit	103.46	1.82	9.40	-
Total	**542.41**	**62.05**	**66.90**	**94.41**

6. Restated Summary Statement of Non-current investments (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Trade Investments Non-Trade, Unquoted AT COST				
Investment in Equity instruments				
AP Gas Power Corporation Limited				
- 18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	10.72	10.72	10.72	10.72
- 4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	10.29	10.29	10.29	10.29
Total	**21.01**	**21.01**	**21.01**	**21.01**

Investment in APGPCL shares are in the nature of security deposit for uninterrupted supply of power which has no specified tenure. Hence, not considered for fair valuation.

7.Restated Summary Statement of Loans (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Loans and advances to employees	0.04	0.04	0.07	0.12
Total	**0.04**	**0.04**	**0.07**	**0.12**

8. Restated Summary Statement of Non-current tax assets (Net) (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Advance Income Tax	390.12	293.41	633.70	530.36
Tax deducted at source	-	-	3.41	3.69
Total	**390.12**	**293.41**	**637.11**	**534.05**

9. Restated Summary Statement of Other non-current assets (₹ in Million)

Particulars	As at 30th September 2017		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015 (Proforma)	
Capital Advances								
Secured, considered good								
Unsecured, considered good		157.07		93.71		16.64		33.13
Doubtful	3.55		3.55		3.55		3.55	
Less: Provision	3.55	-	3.55	-	3.55	-	3.55	-
Sub-Total		157.07		93.71		16.64		33.13
Deposits with others								
Others								
Doubtful Advances to supplier	2.37		2.37		2.37		2.37	
Less: Provision	2.37	-	2.37	-	2.37	-	2.37	-
Obsolete and slow moving -Raw material	0.01		0.01		0.83		1.20	
Less: Provision	0.01	-	0.01	-	0.83	-	1.20	-
Obsolete and slow moving -consumables	3.20		2.29		2.38		7.73	
Less: Provision	3.20	-	2.29	-	2.38	-	7.73	-
Obsolete and slow moving -spares	15.95		13.88		24.84		26.01	
Less: Provision	15.95	-	13.88	-	24.84	-	26.01	-
Total		**157.07**		**93.71**		**16.64**		**33.13**

10. Restated Summary Statement of Inventories (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Raw Materials and components	395.15	489.60	563.33	937.68
Raw Materials and components -in transit	332.65	102.96	81.15	510.21
Total	**727.80**	**592.56**	**644.48**	**1,447.89**
Work-in-progress #	1,300.95	1,125.63	1,820.83	2,281.55
Total	**1,300.95**	**1,125.63**	**1,820.83**	**2,281.55**
Finished goods	-	0.89	66.38	0.22
Finished goods in transit	134.98	5.53	21.25	6.35
Total	**134.98**	**6.42**	**87.63**	**6.57**
Stores and spares	55.53	42.05	53.19	58.54
Stores and spares -in transit	-	-	-	10.11
Total	**55.53**	**42.05**	**53.19**	**68.65**
Loose Tools	0.42	0.33	0.19	1.65
Total	**0.42**	**0.33**	**0.19**	**1.65**
Consumables	103.59	113.25	98.68	164.10
Consumables-in transit	-	1.45	3.20	28.26
Total	**103.59**	**114.70**	**101.88**	**192.36**
Internally generated Scrap/rejected material	184.68	178.73	177.25	231.48
Total	**184.68**	**178.73**	**177.25**	**231.48**
Grand Total	**2,507.95**	**2,060.42**	**2,885.45**	**4,230.15**

The Inventory does not include material held in trust on behalf of customers.

#Work in progress Include materials lying with sub-contractors ₹ 136.77 milliion (31.03.2017 ₹ 146.26 million, 31.03.2016 ₹ 144.14 million, 01.04.2015 ₹ 111.97 million) and is subject to confirmation of balance by sub-contractors.

11. Restated Summary Statement of Trade Receivables (₹ in Million

Particulars	As at 30th September 2017		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015 (Proforma)	
Debts Outstanding for period exceeding Six Months								
Unsecured, considered good $		509.20		526.85		283.39		566.24
Unsecured, considered doubtful	77.96		89.75		34.21		30.97	
Less: Provision	77.96	-	89.75	-	34.21	-	30.97	-
Total		**509.20**		**526.85**		**283.39**		**566.24**
Other Debts								
Unsecured, considered good $		1,713.38		2,358.45		1,807.15		1,634.56
Unsecured, considered doubtful	21.25		50.15		80.04		87.14	
Less: Provision	21.25	-	50.15	-	80.04	-	87.14	-
Total		**1,713.38**		**2,358.45**		**1,807.15**		**1,634.56**
Grand Total		**2,222.58**		**2,885.30**		**2,090.54**		**2,200.80**

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

$ Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Expected Credit Loss Percentage

Aging	Expected credit loss			
	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)
Within Credit the Period	0.37%	0.44%	0.29%	0.68%
Upto 3 months	1.33%	2.09%	4.03%	3.42%
3-6 months	4.79%	6.44%	11.81%	11.97%
6-9 months	19.90%	22.92%	26.39%	31.95%
9-12 months	92.86%	91.67%	100.00%	100.00%
>12 months	100.00%	100.00%	100.00%	100.00%
Specific Provision (Rs. In Million) relating to Defence, Govt and PSU customer dues	47.46	59.33	23.39	13.33
Specific Provision (Rs. In Million) relating to Defence, Govt, PSU, Private customer dues (LD)	51.21	79.81	86.06	94.97

(₹ in Million)

Age of receivables	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)
Private Customers -Unsecured				
Within Credit the Period	6.30	61.68	12.75	72.19
Upto 3 months	24.00	23.20		0.20
3-6 months	-	-		6.00
6-9 months	-	-	2.10	-
9-12 months	-	-		6.20
>12 months	0.20	-	4.20	2.40
Private Customers -secured	22.54	36.38	36.01	32.69
Defence, Govt and PSU customer dues	2,268.75	2,903.94	2,149.73	2,199.23

Movement in Provision made against Trade Receivables (₹ in Million)

Particulars	Total
Loss allowance as on 1st April 2015	**118.11**
Changes in loss allowance	(3.86)
Loss allowance as on 31st March 2016	**114.25**
Changes in loss allowance	25.65
Loss allowance as on 31st March 2017	**139.90**
Changes in loss allowance	(40.69)
Loss allowance as on 30th September 2017	**99.21**

12. Restated Summary Statement of Cash and cash equipvalents (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Balances with Banks				
In Current Accounts	15.98	339.13	223.12	33.58
In Deposit Accounts	2,588.80	1,739.93	1,734.98	860.00
Cash on hand	0.47	0.20	0.52	0.46
Total	**2,605.25**	**2,079.26**	**1,958.62**	**894.04**

Balances in Deposit Accounts ₹ 676.00 million (31.03.2017 ₹ 138.40 million, 31.03.2016 ₹ 0.02 million, 01.04.2015 ₹ 460.02 million) pledged for secured over drafts availed against the deposits

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. Restated Summary Statement of Other financial assets (₹ in Million)

Particulars	As at 30th September 2017		As at 31st March 2017		As at 31st March 2016		As at 31st March 2015 (Proforma)	
Loans and advances to employees		2.31		1.52		2.19		2.57
Interest accrued on loans to employees		0.03		0.05		0.07		0.13
Claims receivable		3.19		4.01		28.78		46.53
Deposits with others		48.57		42.63		30.70		10.19
Interest accrued on bank deposits		80.91		68.60		60.34		76.54
Interest accrued-doubtful	28.66		28.66		28.66		28.66	
Less: Provision	28.66	-	28.66	-	28.66	-	28.66	-
Total		**135.01**		**116.81**		**122.08**		**135.96**

14. Restated Summary Statement of Other current assets (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Assets held for disposal	-	-	0.78	0.78
Gratuity Fund	-	-	-	0.73
Prepaid expenses	5.19	20.73	11.43	10.80
VAT/Modvat/Service Tax/Customs duty receivable	25.34	28.21	22.54	145.54
Customer financed projects	-	-	696.14	723.27
Others				
Unsecured, considered good				
Advance to suppliers	443.83	75.65	49.61	163.04
Total	**474.36**	**124.59**	**780.50**	**1,044.16**

15. Restated Summary Statement of Equity share capital (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Authorised				
Equity shares				
200,000,000 shares @ ₹ 10/- per share (Previous Year 200,000,000 shares @ ₹ 10/- per share)	2,000.00	2,000.00	2,000.00	2,000.00
	2,000.00	**2,000.00**	**2,000.00**	**2,000.00**
Issued				
Equity shares				
187,340,000 shares @ ₹ 10/- per share (Previous Year 187,340,000 shares @ ₹ 10/- per share)	1,873.40	1,873.40	1,873.40	1,873.40
	1,873.40	**1,873.40**	**1,873.40**	**1,873.40**
Subscribed and fully Paid up				
Equity shares				
187,340,000 shares @ ₹ 10/- per share (Previous Year 187,340,000 shares @ ₹ 10/- per share)	1,873.40	1,873.40	1,873.40	1,873.40
	1,873.40	**1,873.40**	**1,873.40**	**1,873.40**
Total	**1,873.40**	**1,873.40**	**1,873.40**	**1,873.40**

Reconciliation of shares outstanding at the beginning and at the end of the period:

Particulars	30th September 2017		31st March 2017		31st March 2016		31st March 2015 (Proforma)	
	No. of Shares	Amount (₹ in Million)	No. of Shares	Amount (₹ in Million)	No. of Shares	Amount (₹ in Million)	No. of Shares	Amount (₹ in Million)
Outstanding as at Opening Date	18,73,40,000	1,873.40	18,73,40,000	1,873.40	18,73,40,000	1,873.40	18,73,40,000	1,873.40
Add: Issued during the period								
To President of India	-	-	-	-	-	-	-	-
To Employees	-	-	-	-	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**1,873.40**	**18,73,40,000**	**1,873.40**	**18,73,40,000**	**1,873.40**	**18,73,40,000**	**1,873.40**

Approval of share holders for sub-division of shares accorded at the extraordinary general meeting of the Company held on 26th October 2017

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Hundred percent shares are held by President of India. Each equity share represents one voting right.

Shares of the Company held by holding company

(No. of shares)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
President of India	18,73,40,000	18,73,40,000	18,73,40,000	18,73,40,000

Details of shareholders holding more than 5% shares in the Company

Particulars	30th September 2017		31st March 2017		31st March 2016		1st April 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid-up								
President of India	18,73,40,000	100%	18,73,40,000	100%	18,73,40,000	100%	18,73,40,000	100%

16. Restated Summary Statement of Other equity (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
General Reserve	5,407.59	5,007.59	3,807.59	3,077.59
Retained Earnings	4.48	131.47	494.52	433.63
Components of other comprehensive income	48.86	30.98	21.19	15.96
Total	**5,460.93**	**5,170.04**	**4,323.30**	**3,527.18**

Retained earnings reflect surplus/deficit after taxes in the profit or loss. The amount that can be distributed by the company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act 2013.

Dividend Payment particulars are as follows:

₹ in Millioin

Particulars	Payments during 2017-18		Payments during 2016-17		Payments during 2015-16		Payments during 2014-15	
	FY	**Amount**	**FY**	**Amount**	**FY**	**Amount**	**FY**	**Amount**
Interim Dividend							2014-15	40.00
DDT on Interim Dividend							2014-15	8.00
							2013-14	6.80
Final Dividend			2015-16	354.09	2014-15	334.68	2013-14	334.68
DDT on Final Dividend			2015-16	72.09	2014-15	68.13	2013-14	56.88
TOTAL		-		**426.18**		**402.81**		**446.36**

The Board of Directors, at its meeting on August 18th, 2017 have proposed a final dividend of ₹ 202.25 per equity share of face value ₹1000 per share for the financial year ended March 31 2017. The proposal was approved at the 43rd Annual General Meeting held on September 25th, 2017. The Dividend along with dividend distribution tax amounting to ₹ 456.08 million was paid during October 2017.

17. Restated Summary Statement of Borrowings (Non-current) **(₹ in Million)**

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Secured				
Term Loans				
from Banks	-	-	74.93	107.60
(Secured by way of Hypothecation of Machinery (Excluding ₹ NIL (31.03.2017 ₹ 74,95 million, 31.03.2016 ₹ 32.57 million , 01.04.2015 ₹ 32.59 million) which is due for payment within 12 months treated as Other Current Liability and included under Note 24)				
Repayable in 60 monthly equal installments				
Unsecured				
Term Loans				
Loan from Government of India	-	-	-	8.00
(Excluding NIL (31.03.2017-NIL, 31.03.2016 ₹ 8 million, 01.04.2015 ₹ 8 million) which is due for payment within 12 months treated as Other Current Liability and included under Note 24)				
Terms of Repayment, every year 1/5 of the principal amount				
Advances - Augmentation Facilities - VSSC	8.28	12.36	15.22	17.80
(This represents balance amount payable (net of ₹ 5.00 million (31.03.2017 ₹ 5 milliion, 31.03.2016 ₹ 5 million, 01.04.2015 ₹ 5.00 million) repayable within 12 months and treated as Other Current Liability and included under Note No.25) against refundable loan of ₹ 47.84 million received from VSSC for upgradation of forge press.)				
Total	**8.28**	**12.36**	**90.15**	**133.40**

Maturity profile of Term Loan: **(₹ in Million)**

Borrower	Maturity Profile					
	Interest Rate	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
State Bank of India	9.60%	74.95				
VSSC		5.00	5.00	5.00	5.00	2.84

18. Restated Summary Statement of Other financial liabilities (Non-current)

(₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Grants - Customer Financed Projects	468.83	173.37	164.55	142.22
Total	**468.83**	**173.37**	**164.55**	**142.22**

19. Restated Summary Statement of Provisions (Non-current)

(₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Provision for employee benefits				
Provision for gratuity	5.89	5.89	5.30	4.65
Provision for compensated absences	1.68	1.68	1.34	1.00
Total	**7.57**	**7.57**	**6.64**	**5.65**

20. Restated Summary Statement of Deferred tax liabilities (Net) **(₹ in Million)**

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Deferred Tax Liabilities				
On Depreciation	323.21	285.95	259.88	188.84
Sub Total	**323.21**	**285.95**	**259.88**	**188.84**
Deferred Tax Assets				
On Provision	78.74	80.96	32.94	61.06
On Disallowance as per IT Act	0.58	0.58	0.46	0.34
Sub Total	**79.32**	**81.54**	**33.40**	**61.40**
Net Total	**243.89**	**204.41**	**226.48**	**127.44**

Movement in deferred tax

(₹ in Million)

Particulars	Opening Balance 01-Apr-2015 Proforma	Charge/Credit during the year 2015-16	Closing Balance 31-Mar-2016	Charge/Credit during the year 2016-17	Closing Balance 31-Mar-2017	Charge/Credit during the year 2017-18	Closing Balance 30-Sep-2017
Deferred Tax Assets							
Provision for Non Moving Stores	11.87	(2.17)	9.70	(4.11)	5.59	1.04	6.63
Provisions for Doubtful Debts	6.28	3.45	9.73	11.06	20.79	(4.18)	16.61
Provisions for Doubtful ICD	9.74	0.18	9.92	-	9.92	0.00	9.92
Provisions for Doubtful Adv / Claims	2.01	0.04	2.05	-	2.05	0.00	2.05
Provision for Contingencies & Warranty	5.21	0.44	5.65	8.72	14.37	3.67	18.04
AMTL Leave Provision	0.34	0.12	0.46	0.12	0.58	(0.00)	0.58
OFB Interest Differences (Net)	0.27	0.87	1.15	1.25	2.40	0.64	3.04
VSSC Interest Differences (Net)	1.23	0.18	1.42	0.07	1.49	(0.03)	1.46
Gratuity	1.20	(21.33)	(20.13)	44.25	24.12	(3.37)	20.75
Leave	3.19	10.27	13.46	(13.46)	(0.00)	0.00	-
MAT Credit	20.04	(20.04)	-	-	-	-	-
Provision for redundant / obsolete items	-	-	-	0.24	0.24	-	0.24
Total Assets	**61.40**	**(27.99)**	**33.40**	**48.14**	**81.54**	**(2.22)**	**79.32**
Deferred Tax Liability							
Depreciation	188.84	71.04	259.88	26.07	285.95	37.26	323.21
Total Liability	**188.84**	**71.04**	**259.88**	**26.07**	**285.95**	**37.26**	**323.21**
Net Liability	**127.44**	**99.03**	**226.48**	**(22.07)**	**204.41**	**39.48**	**243.89**

21. Restated Summary Statement of Other non-current liabilities (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Advances				
Advances from Customers	561.16	533.67	931.93	759.06
Others				
Material Received on Loan - Kaveri Project	2.36	2.36	2.36	2.36
Other Liabilities - VSSC	5.47	5.47	5.47	5.47
Expenditure CFP - TIFAC - TDAA	-	-	-	0.03
Advances Others	6.46	6.46	6.46	6.61
Deferred Income	533.22	541.12	528.56	520.45
Total	**1,108.67**	**1,089.08**	**1,474.78**	**1,293.98**

22. Restated Summary Statement of Borrowings (Current) (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Secured				
Loans repayable on demand				
From Banks				
Cash Credit (By hypothecation of Raw materials, stock in process, finished good and book debts.)	38.59	0.95	-	0.76
From various banks-short term overdraft secured by pledge of fixed deposits Secured by Fixed Deposits of ₹ 676.00 million (31.03.2017 ₹ 138.40 million, 31.03.2016 ₹ 0.02 million, 01.04.2015 ₹ 460.02 million)	608.40	124.56	0.01	414.01
Total	**646.99**	**125.51**	**0.01**	**414.77**

23. Restated Summary Statement of Trade payables

(₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Micro, Small & Medium Enterprises	19.01	10.48	23.68	9.74
Others @	885.35	649.83	505.83	941.98
Total	**904.36**	**660.31**	**529.51**	**951.72**

@ Balances in Trade Payables are subject to confirmation and/ or reconciliation.

The information under MSMED Act, has been disclosed to the extent such vendors have been identified by the company during the year. The details of amounts outstanding to them based on available information with the Company is as under :

(₹ in Million)

Particulars	30th September 2017	31st March 2017	31st March 2016	1st April 2015
Amount due and Payable at the year end				
Principal	19.01	10.48	23.68	9.74
Interest on above Principal	0.44	0.10	0.65	0.89
Payments made during the year after the due date				
Principal	76.68	154.28	124.32	67.65
Interest on above Principal	-	-	-	-
Interest due and payable for principals already paid	1.52	3.72	4.66	2.82
Total Interest accrued and remained unpaid at year end	1.96	3.82	5.31	3.71

24. Restated Summary Statement of Other financial liabilities

(₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Current Maturities of Long Term Debt				
Loan from Government of India	-	-	8.00	8.00
Term Loan from State Bank of India	-	74.95	32.57	32.59
Others				
Earnest money deposit	3.02	2.87	2.70	2.82
Security Deposit	8.48	6.62	10.26	11.16
Liabilities to customers	298.99	308.84	327.20	438.61
Capital creditors	110.19	5.89	45.44	131.85
Employee payables	157.71	177.25	46.28	142.71
Total	**578.39**	**576.42**	**472.45**	**767.74**

25. Restated Summary Statement of Other current liabilities (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Advances received from customers	612.52	582.73	1,259.94	1,772.72
Advance for Customer Financed projects	60.96	52.22	22.54	80.26
Material Received on Loan - Others	133.68	138.56	89.45	9.04
Statutory liabilities	(53.03)	57.36	70.42	69.45
Total	**754.13**	**830.87**	**1,442.35**	**1,931.47**

26. Restated Summary Statement of Provisions (Current) (₹ in Million)

Particulars	As at 30th September 2017	As at 31st March 2017	As at 31st March 2016	As at 31st March 2015 (Proforma)
Provision for employee benefits				
Provision for compensated absences	3.58	60.43	34.45	14.25
Provision for gratuity	60.05	69.59	75.29	-
Provision for post retirement medical scheme	7.15	7.03	7.22	20.78
Provision for pension scheme	16.68	24.60	24.74	25.39
Provision for other employee benefits	83.93	63.93	103.60	92.91
Other Provisions				
Equity dividend	-	-	-	-
Tax on equity dividend	-	-	-	-
Provision for contingencies and warranty	52.12	41.52	16.32	15.31
Provision for Income Tax	18.83	18.83	342.15	291.92
Other provisions	1.10	1.10	1.10	1.10
Total	**243.44**	**287.03**	**604.87**	**461.66**

27. Restated Summary Statement of Revenue from operations (₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Sale of Manufacturing Products	2,039.23	8,015.51	7,492.17	6,486.43
Sale of Services	35.82	70.47	110.61	22.66
Other Operating Revenues	5.58	11.09	11.71	47.92
Total	**2,080.63**	**8,097.07**	**7,614.49**	**6,557.01**

28. Restated Summary Statement of Other income (₹ in Million)

Particulars	Nature (Recurring / Non-recurring)	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Interest Income					
From Banks	Recurring	85.02	153.29	78.90	105.23
From Employees	Recurring	-	0.02	0.02	0.04
From Others	Recurring	7.90	19.37	29.23	0.55
Liquidated Damages	Recurring	8.88	18.16	17.76	21.57
Exchange rate variance	Recurring	1.38	0.48	-	-
Net gain on sale of Fixed Assets	Recurring	0.01	0.02	0.34	0.73
Income from Sale of Unserviceable Scrap	Recurring	8.04	16.83	-	-
Provisions written back					
Non-Moving Inventories	Recurring	-	11.87	6.90	5.02
Excess Liabilities written back	Non-Recurring	13.40	6.25	143.04	17.03
Forfeiture of Security Deposits	Non-Recurring				73.27
Other miscellaneous income		1.35	7.54	13.80	3.42
Total		**125.98**	**233.83**	**289.99**	**226.86**

Details of other miscellaneous income (₹ in Million)

Particulars	Nature (Recurring / Non-recurring)	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Sale of Application Forms (Personnel)	Recurring	0.21	0.64	0.39	0.10
Sale of Tender Documents	Recurring	0.34	0.69	0.43	
Service Charges received from AMTL/GTRE	Non-recurring				1.33
Sale of Unserviceable scrap	Non-recurring				1.55
Others	Non-recurring	0.80	6.21	12.98	0.44
Total		**1.35**	**7.54**	**13.80**	**3.42**

29. Restated Summary Statement of Cost of Materials Consumed (₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Cost of Material for manufactured products	442.20	1,938.28	2,449.05	2,119.56
Total	**442.20**	**1,938.28**	**2,449.05**	**2,119.56**

30. Restated Summary Statement of Excise Duty (₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Excise - Finished Goods	43.69	364.26	449.46	83.25
Total	**43.69**	**364.26**	**449.46**	**83.25**

31. Restated Summary Statement of Change in Inventories of Finished Goods, Work-in-Progress and Stock in Trade

(₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Opening Stock				
Work-in-progress	1,125.63	1,820.83	2,281.55	2,358.76
Finished Stock	6.42	87.63	6.57	2.67
	1,132.05	**1,908.46**	**2,288.12**	**2,361.43**
Closing Stock				
Work-in-progress	1,300.95	1,125.63	1,820.83	2,281.55
Finished Stock	134.98	6.42	87.63	6.57
	1,435.93	**1,132.05**	**1,908.46**	**2,288.12**
(Increase) / Decrease				
Work-in-progress	(175.32)	695.20	460.72	77.21
Finished Stock	(128.56)	81.21	(81.06)	(3.90)
Total	**(303.88)**	**776.41**	**379.66**	**73.31**

32. Restated Summary Statement of Employee Benefits Expense

(₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Salaries & Wages				
Salaries & Wages	386.75	641.11	611.84	641.20
Leave Encashment	8.28	39.12	45.97	38.85
Directors remuneration	4.70	14.49	12.74	13.50
Contribution to Provident and other Funds				
Contribution to provident fund	25.83	51.58	53.92	56.45
Employees Gratuity	18.80	150.86	27.88	35.85
Leave salary and pension contribution	0.08	24.62	24.50	25.26
Staff Welfare & Training				
Workmen and staff welfare expense	47.67	171.07	130.50	177.41
Total	**492.11**	**1,092.85**	**907.35**	**988.52**

(i) Gratuity

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss and other comprehensive income

Expenses Recognised during the period

(₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	2016-17	2015-16	2014-15
In Income Statement	17.80	151.44	27.36	35.12
In Other Comprehensive Income	(27.34)	(14.96)	(8.00)	(24.41)
Net Liability	**(9.54)**	**136.48**	**19.36**	**10.71**

Assets and Liability (Balance Sheet Position)

(₹ in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Present Value of Obligation	401.11	428.94	357.62	407.06
Fair Value of Plan Assets	341.14	359.35	340.50	404.31
Surplus / (Deficit)	(59.97)	(69.59)	(17.12)	(2.75)
Effects of Asset Ceiling, if any	-	-	-	-
Net Assets / (Liability)	**(59.97)**	**(69.59)**	**(17.12)**	**(2.75)**

Changes in the Present Value of Obligation (₹ in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Present Value of Obligation as at beginning	428.94	357.62	407.06	464.60
Current Service Cost	15.25	150.07	27.14	33.42
Interest Expense or Cost	15.72	28.61	32.57	37.17
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-	-	-
- change in demographic assumptions	(26.78)	(25.76)	-	-
- change in financial assumptions	2.49	11.88	(7.91)	(22.52)
- experience variance (Actual Vs assumptions)	(2.58)	0.06	(2.33)	-
Past Service Cost	-	-	-	-
Effect of change in foreign exchange rates	-	-	-	-
Benefits Paid	(31.93)	(93.53)	(98.90)	(105.61)
Acquisition Adjustment	-	-	-	-
Effect of business combinations or disposals	-	-	-	-
Present Value of Obligation as at the end	**401.11**	**428.94**	**357.62**	**407.06**

Bifurcation of net liability (₹ in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Current Liability (Short term)	67.61	76.73	93.47	101.23
Non-Current Liability (Long term)	333.50	352.21	264.15	305.83
Net Liability	**401.11**	**428.94**	**357.62**	**407.06**

Changes in the Fair Value of Plan Assets (₹ in Million)

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Fair Value of Plan Assets as at the beginning	359.35	340.50	404.31	443.30
	0.11			
Investment Income	13.17	27.24	32.35	35.46
Employer's Contribution	-	84.06	4.99	29.27
Expenses	(0.04)	(0.06)	-	-
Employee's Contribution	-	-	-	-
Benefits Paid	(31.93)	(93.53)	(98.90)	(105.61)
Return on plan assets , excluding amount recognised in net interest expense	0.47	1.14	(2.25)	1.89
Acquisition Adjustment	-	-	-	-
Fair Value of Plan Assets as at the end	**341.14**	**359.35**	**340.50**	**404.31**

Expenses Recognised in the Income Statement (₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	2016-17	2015-16	2014-15
Current Service Cost	15.25	150.07	27.14	33.42
Past Service Cost	-	-	-	-
Loss / (Gain) on settlement	-	-	-	-
Expected return on Asset	-	-	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	2.55	1.37	0.22	1.71
Actuarial Gain/Loss	-	-	-	-
Expenses Recognised in the Income Statement	**17.80**	**151.44**	**27.36**	**35.12**

Other Comprehensive Income (₹ in Million)

Particulars	For the Period Ended 30th Sep 2017	2016-17	2015-16	2014-15
Actuarial (gains) / losses				
- change in demographic assumptions	(26.78)	(25.76)	-	-
- change in financial assumptions	2.49	11.88	(7.91)	(22.52)
- experience variance (i.e. Actual experience vs assumptions)	(2.58)	0.06	(2.33)	-
- others	-	-	-	-
Return on plan assets, excluding amount recognized in net interest expense	(0.47)	(1.14)	2.25	(1.89)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
Components of defined benefit costs recognised in other comprehensive income	**(27.34)**	**(14.96)**	**(8.00)**	**(24.41)**

Actuarial assumptions

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Discount rate (per annum)	7.19%	7.33%	8.00%	8.00%
Salary growth rate (per annum)	6.50%	6.50%	6.50%	4.00%

Demographic assumptions

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Mortality rate (% of IALM 06-08)	100.00%	100.00%	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age	Upto 3% based on age	Upto 3% based on age

Table of sample mortality rates from Indian Assured Lives Mortality 2006-08

Mortality (per annum)		
Age	**Male**	**Female**
20 years	0.089%	0.089%
25 years	0.098%	0.098%
30 years	0.106%	0.106%
35 years	0.128%	0.128%
40 years	0.180%	0.180%
45 years	0.287%	0.287%
50 years	0.495%	0.495%
55 years	0.789%	0.789%
60 years	1.153%	1.153%
65 years	1.700%	1.700%
70 years	2.585%	2.585%

Sensitivity analysis **(₹ in Million)**

Particulars	30-Sep-17		31-Mar-17		31-Mar-16		01-Apr-15	
Defined Benefit Obligation (Base)	401.11		428.94		357.62		407.06	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	420.09	384.10	448.34	411.51	371.22	345.28	420.69	394.50
(% change compared to base due to sensitivity)	4.73	-4.24	4.52	-4.06	3.8	-3.45	3.35	-3.09
Salary Growth Rate (- / + 1%)	380.44	422.72	407.75	451.13	353.03	361.20	400.31	413.71
(% change compared to base due to sensitivity)	-5.15	5.39	-4.94	5.17	-1.28	1	-1.66	1.63
Attrition Rate (- / + 1%)	389.31	411.69	416.97	439.69	349.21	365.23	401.01	412.63
(% change compared to base due to sensitivity)	-2.94	2.64	-2.79	2.51	-2.35	2.13	-1.49	1.37
Mortality Rate (- / + 10%)	400.73	401.48	428.55	429.32	357.33	357.91	406.79	407.33
(% change compared to base due to sensitivity)	-0.09	0.09	-0.09	0.09	-0.08	0.08	-0.07	0.07

Expected cash flows over the next (valued on undiscount	**(₹ in Million)**
1 year	28.49
2 to 5 years	195.40
6 to 10 years	106.09
More than 10 years	71.13

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave

Bifurcation of net liability **(₹ in Million)**

Particulars	30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
Current Liability (Short term)	194.57	196.93	196.10	188.42
Non-Current Liability (Long term)				
Net Liability	**194.57**	**196.93**	**196.10**	**188.42**

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year. The Company has made a pension contribution @ 10% to the Trust with the approval of Board of Directors w.e.f 01.01.2007 to 31.03.2017, which includes ₹ 63.82 million towards 3% contribution pending approval of MoD. However, MoD has not approved the proposal of the Company. The matter has been represented again with the MoD.

The Current year contribution(upto September 2017) to pension fund has been provided @ 7% of Basic + DA in line with the MoD guidelines

33. Restated Summary Statement of Finance Cost **(₹ in Million)**

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Interest expense				
Cash Credit	-	0.08	0.02	0.04
Short Term Overdrafts	3.06	9.90	6.40	35.81
Interest - Others	12.10	27.16	21.35	23.80
Interest - Term Loan	-	8.71	12.25	5.63
Interest - Govt. Loans	-	0.92	1.84	5.15
Total	**15.16**	**46.76**	**41.86**	**70.43**

34. Restated Summary Statement of Other Expenses **(₹ in Million)**

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Travelling Expenses				
Travelling and conveyance	17.04	23.99	23.99	21.15
Hire of cars	1.18	3.71	4.14	2.83
Communication Expenses				
Postage & telephone	2.98	5.67	6.25	6.09
Repairs & maintenance expenses				
Buildings	36.86	56.02	33.01	25.27
Plant and machinery	11.87	40.73	57.85	47.96
Others	2.84	15.70	7.53	4.61
Rent, rates & taxes				
Rates and taxes	0.30	1.29	1.21	0.99
Rent	0.93	1.76	1.63	1.44
Printing and stationery				
Printing and stationery	0.49	1.84	5.00	2.34
Office maintenance expenses				
Security guard charges	34.67	64.40	67.23	47.14
Administration expenses-Others	3.83	12.41	6.32	7.25
Power & fuel				
Power and fuel	255.30	593.01	506.80	511.15
Sub-contractor expenses				
Sub-contractor expenses	289.22	518.25	439.02	383.22
General expenses				
CSR Expenses	9.34	28.76	27.63	22.78
Stock verification discrepancies	-	(6.11)	(0.07)	5.53
Bad debts written off	-	20.12	22.86	14.19
Fixed Assets written off	0.21	0.26	0.32	0.09
Liquidated damages on sales	10.60	99.56	176.60	225.16
Sales schemes	25.87	69.40	56.50	222.86
Prior Period (-) income / (+) expenses	-	-	(0.03)	(0.71)
Increase/(Decrease) Excise duty on finished goods	(0.02)	(22.41)	22.85	0.15
Library books	1.62	0.05	0.12	2.02
News paper and journals	0.03	0.01	0.79	0.18
Membership fees	0.54	0.76	0.78	0.81
Training expenses	1.29	5.11	2.16	5.55
Entertainment/courtesy expenses	0.21	0.75	0.33	0.42
Hostel/guest house expenses net of income	1.25	1.56	1.86	1.45
Business promotion expenses	22.27	10.36	30.79	24.30
Directors sitting fees	0.47	0.99	0.26	0.02
Factory expenses	13.37	18.79	6.07	5.54
Advertisement	4.55	19.50	14.24	13.59
Water charges	6.39	12.79	14.18	12.56
Consumption of stores, loose tools and spare parts				
Consumption of stores, loose tools and spare parts	164.11	342.07	283.35	252.27
Insurance expenses				
Insurance	7.84	15.17	14.75	13.82
Professional charges				

Legal and professional fees	0.18	0.37	0.26	0.06
Internal Audit Fee	0.16	0.68	0.79	0.56
Consultancy charges	5.48	20.06	6.36	6.62
Contract professionals expenses	4.10	7.94	8.53	9.97
R& D Expenses				
R & D Contribution	0.45	21.43	45.82	25.00
Exchange fluctuation				
Exchange rate variance charged off	-	-	0.30	3.30
Auditors remuneration				
Auditor's remuneration(As per details below)	-	0.49	0.49	0.43
Finance & bank charges				
Bank charges	2.76	7.18	8.41	4.94
Provision for non moving inventories	2.98	-	-	-
Provision for redundant / obsolete items	-	0.70	-	-
Provision for Bad debts				
Provision for Doubtful Debts	-	31.90	9.70	7.22
Provision for Contingencies & Warranty				
Provision for Contingencies & Warranty	10.60	25.20	1.01	1.35
Total	**954.16**	**2,072.17**	**1,918.00**	**1,943.46**

The Details of R&D Expenditure included in the natural head of accounts are as follows:

(₹ in Million)

Particulars	**For the Period Ended 30th Sep 2017**	**For the Year Ended 31st March 2017**	**For the Year Ended 31st March 2016**	**For the Year Ended 31st March 2015 (Proforma)**
Consumption of materials	0	-	15.05	11.28
Conversion costs	0	77.34	13.32	20.08
Other Expenditure	6.52	11.24	7.80	7.89
R & D Contribution	0.45	21.43	45.82	25.00
Total	**6.97**	**110.01**	**81.98**	**64.25**

Details of Corporate Social Responsibility

(₹ in Million)

Particulars	**For the Period Ended 30th Sep 2017**	**For the Year Ended 31st March 2017**	**For the Year Ended 31st March 2016**	**For the Year Ended 31st March 2015 (Proforma)**
Promoting Education	8.75	18.49	10.66	4.70
Protection of Environmental & Ecology balancing Projects		0.57	4.37	4.40
Promotion of Health	0.59	8.03	6.31	6.87
Women Empowerment		-	5.59	1.33
Other Projects		1.67	0.71	5.47
TOTAL	**9.34**	**28.76**	**27.63**	**22.78**

35. Restated Summary Statement of Income Tax Expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense **(₹ in Million)**

Particulars	For the Period Ended 30th Sep 2017	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015 (Proforma)
Current tax				
Current tax on profits for the year	166.47	625.81	383.57	313.31
Earlier year tax	-	1.84	(13.39)	3.18
MAT Credit Entitlement	-	-	(21.66)	(20.04)
	166.47	**627.65**	**348.52**	**296.45**
Deferred tax				
Decrease (increase) in deferred tax liabilities	(39.48)	22.07	(79.00)	(83.23)
Total income tax expense	**205.95**	**605.58**	**427.52**	**379.68**

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate **(₹ in Million)**

Particulars	For the Period Ended 30th September 2017		For the Year Ended 31st March 2017		For the Year Ended 31st March 2016		For the Year Ended 31st March 2015 (Proforma)	
Profit before tax		**496.84**		**1,878.50**		**1,626.45**		**1,431.89**
Tax at Indian tax rate of 34.608% (2015-16 - 34.608%, 2014-15 33.99%)		171.94		650.12	-	562.88	-	486.70
Add:								
Depreciation under Companies Act	93.67	-	176.64	-	140.65	-	97.87	
Disallowances under Sec 43B	-	-	127.86	-	(31.97)	-	12.69	
Provision for Doubtful Debts	(12.08)	-	31.90	-	9.70	-	7.22	
Provision for non moving stores and spares	2.98	-	(11.87)	-	(6.90)	-	(5.02)	
R&D expenditure	6.97	-	110.01	-	81.98	-	64.25	
Provision for contingency & warranty	10.60	-	25.20	-	1.01	-	1.35	
CSR Expenses	9.34	-	20.97	-	27.63	-	22.78	
OFB Deferred Exp (Net-off)	1.85	-	3.62	-	2.51	-	0.80	
VSSC Deferred Exp (Net-off)	(0.06)	-	0.19	-	0.46	-	3.63	
AMTL Leave Provision	-	-	0.34	-	-	-	-	
Others	1.96	-	-	-	(6.56)	-	(0.64)	
	115.23		**484.86**		**218.51**		**204.93**	
Less:								
Earlier years liability discharged in the current year	-		38.89		-		24.28	
Depreciation as per IT Act	117.11		270.40		296.85		344.97	
Investment allowance							231.63	
Donations							4.14	
R & D weighted deductions	13.94		254.14		439.81		169.00	
	131.05		**563.43**		**736.66**		**774.02**	
Net Adjustments (Additions - Deductions)	**(15.82)**	(5.47)	**(78.57)**	(27.19)	**(518.15)**	(179.32)	**(569.09)**	(193.43)
Tax Liability		166.47		622.93		383.56		293.27
Tax Liability as per MAT								313.31
Interest		-		2.89				
Earlier Year Tax		-		1.84		(13.39)		3.18
MAT Credit Entitlement		-		-		(21.65)		(20.04)
Deferred Tax		39.48		(22.08)		79.00		83.23
Total		**205.95**		**605.58**		**427.52**		**379.68**

Financial instruments

36. Fair value measurements

A. Financial instruments by category

	30 September 2017				31 March 2017				31 March 2016				1 April 2015			
	FVPL	**FVOCI**	**Amortized Cost**	**Total**	**FVPL**	**FVOCI**	**Amortized Cost**	**Total**	**FVPL**	**FVOCI**	**Amortized Cost**	**Total**	**FVPL**	**FVOCI**	**Amortized Cost**	**Total**
Financial assets																
Trade receivables	-	-	2,222.58	2,222.58	-	-	2,885.30	2,885.30	-	-	2,090.54	2,090.54	-	-	2,200.80	2,200.80
Cash and cash equivalents	-	-	2,605.25	2,605.25	-	-	2,079.26	2,079.26	-	-	1,958.62	1,958.62	-	-	894.04	894.04
Loans	-	-	0.04	0.04	-	-	0.04	0.04	-	-	0.07	0.07	-	-	0.12	0.12
Other financial assets	-	-	135.01	135.01	-	-	116.81	116.81	-	-	122.08	122.08	-	-	135.96	135.96
Total	**-**	**-**	**4,962.88**	**4,962.88**	**-**	**-**	**5,081.41**	**5,081.41**	**-**	**-**	**4,171.31**	**4,171.31**	**-**	**-**	**3,230.92**	**3,230.92**
Financial liabilities																
Borrowings	-	-	655.27	655.27	-	-	137.87	137.87	-	-	90.16	90.16	-	-	548.17	548.17
Trade payables	-	-	904.36	904.36	-	-	660.31	660.31	-	-	529.51	529.51	-	-	951.72	951.72
Other financial liabilities	-	-	1,047.22	1,047.22	-	-	749.79	749.79	-	-	637.00	637.00	-		909.96	909.96
Total	**-**	**-**	**2,606.85**	**2,606.85**	**-**	**-**	**1,547.97**	**1,547.97**	**-**	**-**	**1,256.67**	**1,256.67**	**-**	**-**	**2,409.85**	**2,409.85**

Note : For the purpose of above abbreviations, FVPL - Fair value through profit and loss; FVOCI - Fair value through other comprehensive income; Amortized cost - Fair value through amortized cost

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) as of September 30, 2017, March 31, 2017, March 31, 2016 and April 1, 2015, respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) as of September 30, 2017, March 31, 2017, March 31, 2016 and April 1, 2015, respectively, are not included.

(i) Fair value of financial asset and financial liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, borrowings, cash and cash equivalents and other financial liabilities are considered to be the same as their fair values, due do their short-term nature.

37. Financial risk management

Risk management framework

The Company has a Board approved Risk Management Policy and the Risks involved at the various processes in the Company are also being discussed in the internal Production Review Meetings and Corporate Management Committee Meetings. The identification of the risk elements faced by the company is listed out in Management Discussion and Analysis and also listed out in the form of SWOT analysis.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subject to periodical review by Audit Committee appointed by the Board.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	**Exposure arising from**	**Measurement**	**Management**
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having neglible credit risk, hence expected credit loss have not computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables

Loss allowance on 1 April 2015	118.11
Changes in loss allowance	(3.86)
Loss allowance on 31 March 2016	114.25
Changes in loss allowance	25.65
Loss allowance on 31 March 2017	139.90
Changes in loss allowance	(40.69)
Loss allowance on 30 September 2017	99.21

Expected credit loss on trade receivables has been disclosed in note 11

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At September 30, 2017, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	**Carrying amount (₹ in Million)**			
	September 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
India	2,321.79	3,025.20	2,204.79	2,318.91
Outside India	-	-	-	-
	2,321.79	3,025.20	2,204.79	2,318.91

At September 30, 2017, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	**Carrying amount (in INR)**			
	September 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
Government and Government undertakings	2,268.75	2,903.94	2,149.73	2,199.23
Others	53.04	121.26	55.06	119.68
	2,321.79	3,025.20	2,204.79	2,318.91

Impairment

Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approve by Board. Whereas, for private customers, provision is determined using expected credit loss provisional matrix.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2605.25 million at Sepember 30, 2017 (March 31, 2017: ₹ 2079.26 million, March 31, 2016: ₹ 1958.62 million, March 31, 2015: ₹ 894.04 million). The cash and cash equivalents are held with banks.

The Company is investing in Fixed Deposits with various banks empanneled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant

(₹ in Million)

Contractual maturities of financial liabilities 30 September 2017	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 years	Between 2 years to 5	Total
Non derivatives						
Borrowings	646.99					646.99
Trade payables	889.47	1.78	13.11			904.36
Other financial liabilities	578					578.39
Total non-derivative liabilities	2114.85	1.78	13.11	0.00	0.00	2129.74

iii. Market risk

(a) Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's external borrowings carries a fixed interest rate of 9.60% per annum, hence, no interest rate risk has been determined.

38. Capital Management

(a) Risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 9.60 percent (2017: 9.60 percent, 2016: 9.80 percent, 2015: 10.50 percent).

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows

Particulars	As at 30 September 2017	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015 (Proforma)
Total liabilities	4,964.55	3,966.93	5,011.79	6,230.05
Less : Cash and cash equivalent	2,605.25	2,079.26	1,958.62	894.04
Adjusted net debt	2,359.30	1,887.67	3,053.17	5,336.01
Total equity	7,334.33	7,043.44	6,196.70	5,400.58
Less : Hedging reserve	-	-	-	-
Adjusted equity	7,334.33	7,043.44	6,196.70	5,400.58
Adjusted net debt to adjusted equity ratio	0.32	0.27	0.49	0.99

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company has only domestic turnover. Therefore, there is no other reportable segment.

40. Related party transactions

Parent entity

Name	Type	Place of incorporation	Ownership interest			
			30-Sep-17	31-Mar-17	31-Mar-16	01-Apr-15
The President of India	Holding Company	India	100%	100%	100%	100%

Transactions with key management personnel

Key management personnel compensation

₹ in Million

	30 September 2017					31 March 2017					31 March 2016	31 March 2015 (Proforma)
Name of the party	**Salaries & wages**	**PF & EPS**	**Gratuity**	**Leave encashment**	**Total**	**Salaries & wages**	**PF & EPS**	**Gratuity**	**Leave encashment**	**Total**	**Total**	**Total**
(a) Shri M Narayana Rao, C&MD					-	-	-	-	-	-	5.61	4.89
(b) Dr.D.K.Likhi, C&MD	1.50	0.13			1.63	5.75	0.26	-	-	6.01	4.23	-
(c) Shri V.S. Krishnan Murthy, Director (F)					-	-	-	-	-	-	-	3.14
(d) Shri B.G.Raj, Director (F)					-	2.65	0.16	1.00	1.56	5.38	2.89	1.39
(e) Shri Sanjeev Singhal, Director (F)	1.32	0.12			1.44	0.63	0.06	-	-	0.69	-	-
(f) Dr.D.K.Likhi, Director (P&M)					-	-	-	-	-	-	-	4.08
(g) Shri Sanjay Kumar Jha, Director (P&M)	1.51	0.12			1.63	2.25	0.17	-	-	2.42	-	-
Total	4.33	0.37	-	-	4.70	11.28	0.65	1.00	1.56	14.49	12.73	13.50

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015 (Proforma)**
(i) Contingent liabilities				
Claims against the company not acknowledged as debt	220.12	218.00	1,633.75	1,696.77
Bank Guarantees	92.64	107.75	245.56	362.75
Letter of credit outstanding	351.01	131.88	160.74	324.19
Others	-	-	5.00	5.00
	663.77	**457.64**	**2,045.05**	**2,388.72**

(ii) Commitments	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015 (Proforma)**
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	773.92	415.04	138.42	282.95
	773.92	**415.04**	**138.42**	**282.95**

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

Particulars	**30 September 2017**	**31 March 2017**	**31 March 2016**	**31 March 2015 (Proforma)**
Profit attributable to equity holders of the Company (₹ in Million)	273.01	1,263.13	1,193.70	1,036.25
Weighted average number of equity shares outstanding during the period	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00
Earnings per share basic and diluted (₹ per share)	1.46	6.74	6.37	5.53

43. Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 31st March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notfication is given below:

(Amount in ₹)

Particulars	SBNs*	Other Denominations notes	Total
Closing Cash in hand as on 8th November, 2016	1,85,500.00	96,683.00	2,82,183.00
(+) Permitted receipts	1,66,500.00	53,78,837.00	55,45,337.00
(-) Permitted payments	-	47,85,863.00	47,85,863.00
(-) Amount deposited in Banks	3,52,000.00	6,00,000.00	9,52,000.00
Closing Cash in hand as on 30th December 2016	**-**	**89,657.00**	**89,657.00**

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016

44. New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017, and have not been applied in preparing these financial statements. The Company has not evaluated the impact of the same on the financial statements for the year ended 31st March 2017.

45. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.
While preparing the Special Purpose Consolidated Financial statements under Ind AS for the six month period ended September 30, 2017, the relevant comparative financial information under Ind AS for the six month period ended September 30, 2016 have not been presented.

46. First time adoption of Ind AS

Explanation of transition to Ind AS

As stated in note 2.1 i(a), these are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, profit and loss and cash flows is set out in the following tables and the notes that accompany the tables.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commission liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 De-recognition of financial assets and financial liabilities

Ind AS 101 allows first time adopter to apply the derecognition requirements of Ind AS 101 retrospectively from the date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Estimates

An entity estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as they were not required under previous GAAP.

- Impairment of financial assets based on the expected credit loss model.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Effect of Ind AS adoption on the Restated Summary Statement of Assets and Liabilities as at 1st April, 2015

(₹ in Million)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		2,438.36	-	2,438.36
Capital work-in-progress		94.41	-	94.41
Intangible assets		4.43	-	4.43
Financial Assets		-		-
(i) Investments		21.01	-	21.01
(ii) Loans		0.12	-	0.12
Non current tax assets (Net)		534.05	-	534.05
Other non-current asses		33.13		33.13
Total Non-Current Assets		3,125.52	-	3,125.52
Current assets:				
Inventories		4,230.15		4,230.15
Financial Assets		-		-
(i) Trade receivables	8	2,204.53	(3.73)	2,200.80
(ii) Cash and cash equivalents		894.04	-	894.04
(iii) Other financial assets		135.96	-	135.96
Other current assets	1	1,044.39	(0.23)	1,044.16
Total current assets		**8,509.07**	**(3.96)**	**8,505.11**
Total Assets		**11,634.59**	**(3.96)**	**11,630.63**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		1,873.40	-	1,873.40
Other Equity	5	3,138.06	389.13	3,527.18
Total Equity		**5,011.46**	**389.13**	**5,400.58**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	3	143.43	(10.04)	133.40
(ii) Other Financial Liabilities	1	-	142.22	142.22
Provisions		5.65	-	5.65
Deferred tax liabilities (net)	4	134.61	(7.17)	127.44
Other non-current liabilities	1	773.54	520.44	1,293.98
Total Non-current liabilities		**1,057.23**	**645.46**	**1,702.68**
Current Liabilities				
Financial liabilities				
(i) Borrowings		414.77	-	414.77
(ii) Trade payables	1	1,076.83	(125.11)	951.72
(iii) Other financial liabilities	7	764.28	3.46	767.74
Other current liabilities	1	2,454.79	(523.31)	1,931.47
Provisions	5	855.24	(393.58)	461.66
Total Current Liabilities		**5,565.90**	**(1,038.54)**	**4,527.36**
Total Equity and Liabilities		**11,634.59**	**(3.96)**	**11,630.63**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.2 Effect of Ind AS adoption on the Restated Summary Statement of Assets and Liabilities as at 31st March, 2016 (₹ in Million)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		2,629.64	-	2,629.64
Capital work-in-progress		66.89	-	66.89
Intangible assets		(0.06)	-	(0.06)
Financial Assets		-		-
(i) Investments		21.01	-	21.01
(ii) Loans		0.07	-	0.07
Non current tax assets (Net)		637.12	-	637.12
Other non-current asses		16.64		16.64
Total Non-Current Assets		3,371.31	-	3,371.31
Current assets:				
Inventories	2	2,888.45	(3.00)	2,885.45
Financial Assets		-	-	-
(i) Trade receivables	8	2,093.10	(2.56)	2,090.54
(ii) Cash and cash equivalents		1,958.62	-	1,958.62
(iii) other financial assets		122.08	-	122.08
Other current assets		780.49	-	780.49
Total current assets		**7,842.74**	**(5.56)**	**7,837.18**
Total Assets		**11,214.05**	**(5.56)**	**11,208.49**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		1,873.40	-	1,873.40
Other Equity		3,892.19	431.11	4,323.30
Total Equity		**5,765.59**	**431.11**	**6,196.70**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	3	97.77	(7.62)	90.15
(ii) Other Financial Liabilities	1	-	164.55	164.55
Provisions		6.64	-	6.64
Deferred tax liabilities (net)	4	225.10	1.38	226.48
Other non-current liabilities	1	946.22	528.56	1,474.78
Total Non-current liabilities		**1,275.73**	**686.86**	**1,962.59**
Current Liabilities				
Financial liabilities				
(i) Borrowings		0.01	-	0.01
(ii) Trade payables		529.51	-	529.51
(iii) Other financial liabilities	7	530.61	(58.17)	472.45
Other current liabilities	1	2,120.44	(678.09)	1,442.35
Provisions	5	992.15	(387.29)	604.87
Total Current Liabilities		**4,172.73**	**(1,123.54)**	**3,049.19**
Total Equity and Liabilities		**11,214.05**	**(5.57)**	**11,208.48**

B.3 Total equity reconciliation as at 31st March 2016 and 1st April 2015 **(₹ in Million)**

Particulars	Notes to first-time adoption	As at 31st March 2016 (Latest period presented under previous GAAP)	As at 1st April 2015 (Date of transition)
Total Equity under previous GAAP		**5,765.59**	**5,011.46**
Amortization of Grant received from OFB	1	(3.31)	(0.80)
Deferred Tax on Amortization of Grant received from OFB		1.15	0.27
Amortization of VSSC Loan	3	(4.09)	(3.63)
Deferred Tax on Amortization of VSSC Loan		1.42	1.23
Provision for Bad and Doubtful Debts	8	(2.56)	(3.73)
Deferred Tax on Provision for Bad and Doubtful Debts		0.86	1.27
Dividend	5	354.09	334.68
Dividend Distribution Tax	5	72.09	68.13
Difference in Actuarial Valuation of Gratuity	7	58.17	(3.46)
Deferred Tax on Gratuity		(20.13)	1.20
Difference in Actuarial Valuation of Leave Reserve	7	(38.89)	(9.23)
Deferred Tax on Leave Reserve		13.46	3.19
Depreciation on Spares Capitalization	2	(3.00)	-
Deferred Tax on Spares Capitalization		1.87	-
Total Equity under Ind AS		**6,196.70**	**5,400.58**

B.4 Effect of Ind AS adoption on the Restated Summary Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Million)

Particulars	Notes to first-time adoption	Previous GAAP*	Ind AS Impact	Ind AS
Revenue From Operations		7,614.49	-	7,614.49
Other Income	1,3	275.35	14.64	289.99
Total Income		**7,889.84**	**14.64**	**7,904.48**
Expenses				
Cost of material consumed		2,449.05	-	2,449.05
Excise Duty	6	449.46	-	449.46
Change in inventories of finished goods, work-in-progress and stock-in-trade		379.66		379.66
Employee benefits expense	7	931.31	(23.97)	907.34
Finance Costs	1,3	24.26	17.60	41.86
Depreciation and amortization expense	2	135.25	5.40	140.65
Other expenses	2, 8	1,921.56	(3.56)	1,918.00
Total Expenses		**6,290.56**	**(4.53)**	**6,286.03**
Profit / (Loss) before exceptional items and tax				
Profit / (Loss) before tax		**1,599.29**	**19.17**	**1,618.45**
Tax expense			-	-
Current Tax		383.56	(2.76)	380.80
Earlier Year Tax		(13.39)	0.00	(13.39)
MAT Credit Entitlement		(21.65)	(0.01)	(21.66)
Deferred Tax		70.45	8.55	79.00
Profit / (Loss) for the period		**1,180.31**	**13.39**	**1,193.70**
Other Comprehensive Income				-
A. (i) Items that will not be reclassified to profit or loss	7	-	8.00	8.00
A. (ii) Income tax relating to items that will not be reclassified to profit or loss	4	-	(2.77)	(2.77)
Other comprehensive income for the year net of tax		**-**	**5.23**	**5.23**
Total Comprehensive Income for the period		**1,180.31**	**18.62**	**1,198.93**

B.5 Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016 (₹ in Million)

	Notes	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	-	1,676.38	482.62	2,159.00
Net cash flow from investing activities	-	(184.73)	(881.99)	(1,066.72)
Net cash flow from financing activities	-	(427.07)	(475.61)	(902.68)
Net increase/(decrease) in cash and cash equivalents	-	**1,064.58**	**(874.98)**	**189.60**
Cash and cash equivalents as at 1 April 2015	-	894.04	(860.00)	34.04
Effects of exchange rate changes on cash and cash equivalents	-	-		
Cash and cash equivalents as at 31 March 2016	-	**1,958.62**	**(1,734.98)**	**223.64**

B.6 Total equity reconciliation as at 31st March 2015 - Proforma

The Proforma financial information of the Company as at and for the year ended 31st March, 2015 is prepared in accordance with requirement of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31st March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and options excemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1st April 2015) while preparing the proforma financial information for the financial year 2014-15 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31st March 2015 as described in this note. The impact of Ind AS 101 on the equity under Indian GAAP as at 31st March 2015 and on the impact on the profit or loss for the year ended 31st March 2015 due to the Ind AS principles applied on proforma basis during the year ended 31st March 2015 can be explained as under:

(₹ in Million)

Particulars	Notes to first-time adoption	31 March 2015 (Proforma)
Total Equity under previous GAAP		**5,011.46**
Amortization of Grant received from OFB	1	(0.80)
Deferred Tax on Amortization of Grant received from OFB		0.27
Amortization of VSSC Loan	3	(3.63)
Deferred Tax on Amortization of VSSC Loan		1.23
Provision for Bad and Doubtful Debts	8	(3.73)
Deferred Tax on Provision for Bad and Doubtful Debts		1.27
Dividend	5	334.68
Dividend Distribution Tax	5	68.13
Difference in Actuarial Valuation of Gratuity	7	(3.46)
Deferred Tax on Gratuity		1.20
Difference in Actuarial Valuation of Leave Reserve	7	(9.23)
Deferred Tax on Leave Reserve		3.19
Depreciation on Spares Capitalization	2	-
Deferred Tax on Spares Capitalization		-
Total Equity under Ind AS		**5,400.58**

B.7 Effect of proforma Ind AS adjustments on the Statement of Assets and Liabilities as at 31st March 2015

(₹ in Million)

Particulars	Notes to first-time adoption	Previous GAAP*	Proforma adjustments	Ind AS
ASSETS				
Non-current assets				
Property, Plant and Equipment		2,438.36	-	2,438.36
Capital work-in-progress		94.41	-	94.41
Intangible assets		4.43	-	4.43
Financial Assets		-	-	-
(i) Investments		21.01	-	21.01
(ii) Loans		0.12	-	0.12
Non current tax assets (Net)		534.05	-	534.05
Other non-current asses		33.13	-	33.13
Total Non-Current Assets		3,125.52	-	3,125.52
Current assets:				
Inventories		4,230.15	-	4,230.15
Financial Assets		-	-	-
(i) Trade receivables	8	2,204.53	(3.73)	2,200.80
(ii) Cash and cash equivalents		894.04	-	894.04
(iii) Other financial assets		135.96	-	135.96
Other current assets	1	1,044.39	(0.23)	1,044.16
Total current assets		**8,509.07**	**(3.96)**	**8,505.11**
Total Assets		**11,634.59**	**(3.96)**	**11,630.63**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital		1,873.40	-	1,873.40
Other Equity	5	3,138.06	389.13	3,527.18
Total Equity		**5,011.46**	**389.13**	**5,400.58**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	3	143.43	(10.04)	133.40
(ii) Other Financial Liabilities	1	-	142.22	142.22
Provisions		5.65	-	5.65
Deferred tax liabilities (net)	4	134.61	(7.17)	127.44
Other non-current liabilities	1	773.54	520.44	1,293.98
Total Non-current liabilities		**1,057.23**	**645.46**	**1,702.68**
Current Liabilities				
Financial liabilities				
(i) Borrowings		414.77	-	414.77
(ii) Trade payables	1	1,076.83	(125.11)	951.72
(iii) Other financial liabilities	7	764.28	3.46	767.74
Other current liabilities	1	2,454.79	(523.31)	1,931.47
Provisions	5	855.24	(393.58)	461.66
Total Current Liabilities		**5,565.90**	**(1,038.54)**	**4,527.36**
Total Equity and Liabilities		**11,634.59**	**(3.96)**	**11,630.63**

B.8 Effect of proforma Ind AS adjustments on the Statement of Profit and Loss for the year ended 31st March 2015

(₹ in Million)

Particulars	**Notes to first-time adoption**	**Previous GAAP***	**Proforma adjustments**	**Ind AS**
Revenue From Operations	6	6,473.75	83.26	6,557.01
Other Income	1,3	226.86	(0.00)	226.86
Total Income		**6,700.62**	**83.25**	**6,783.87**
Expenses				
Cost of material consumed		2,119.56	(0.00)	2,119.56
Excise Duty	6	-	83.25	83.25
Change in inventories of finished goods, work-in-progress and stock-in-trade		73.31		73.31
Employee benefits expense	7	951.42	37.10	988.52
Finance Costs	1,3	65.99	4.43	70.43
Depreciation and amortization expense	2	97.87	0.00	97.87
Other expenses	2, 8	2,007.32	(63.86)	1,943.46
Total Expenses		**5,315.47**	**60.93**	**5,376.39**
Profit / (Loss) before exceptional items and tax				
Profit / (Loss) before tax		**1,385.15**	**22.33**	**1,407.48**
Tax expense			-	-
Current Tax		290.33	14.53	304.86
Earlier Year Tax		3.18	(0.00)	3.18
MAT Credit Entitlement		(20.04)	0.00	(20.04)
Deferred Tax		90.40	(7.17)	83.23
Profit / (Loss) for the period		**1,021.28**	**14.97**	**1,036.25**
Other Comprehensive Income				
A. (i) Items that will not be reclassified to profit or loss	7	-	24.41	24.41
A. (ii) Income tax relating to items that will not be reclassified to profit or loss	4	-	(8.45)	(8.45)
Other comprehensive income for the year net of tax		**-**	**15.96**	**15.96**
Total Comprehensive Income for the period		**1,021.28**	**30.93**	**1,052.21**

C. Notes to first-time adoption

Note 1 : Customer financed project

Recognition of assets as per the guidance of Appendix C of Ind AS 18 "Transfer of Assets from Customers".

Note 2 : Depreciation of spares

As per Ind AS spares having significant useful life has been treated as item of property, plant and equipment and depreciation has been provided from the date of spares being available for its intended use.

Note 3 : Interest free loan

As per Ind AS benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 39 and the proceeds received. The benefit is accounted for in accordance with Ind AS 39.

Note 4 : Deferred taxes

As per Ind AS deferred taxes have to be recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base referred to as the Balance sheet approach.

Note 5 : Proposed dividend

As per Ind AS if an entity declares dividends to holders of equity instruments after the reporting period, the entity shall not recognize those dividends as a liability at the end of the reporting period.

Note 6 : Revenue - Excise duty

As per Ind AS revenue has been presented gross of excise duty accordingly excise duty has been shown as an expenses. Further price variation claims have been adjusted with revenue.

Note 7 : Employee benefit

As per Ind AS 19, actuarial gains and losses (net of tax) representing experience adjustments and changes in actuarial assumptions relating to post-employment benefits are recognized in other comprehensive income and not reclassified to profit or loss in a subsequent period.

Note 8 : Trade receivables

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is a example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss provisional matrix.

Signatures to Notes 1 to 46

For and on behalf of the board of directors

Dr. D.K.Likhi	Sanjeev Singhal	Paul Antony
Chairman & Managing Director	Director (Finance)	Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-VI

Adjustment for Restatement of Profit and Loss

₹ in Million

S.No	Particulars	Note	For the period ended 30th September 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
A	**Net Profit after taxation (as per audited accounts)**		273.01	1,263.13	1,193.70	991.63
B	**Material Adjustments**					
	Provision for Liquidated damages	34				67.59
C	**Material Adjustments related to tax**					
	Current tax					-22.97
D	**Net Profit after taxation as Restated**		273.01	1,263.13	1,193.70	1,036.25

In terms of our report attached

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Shri K. Narasimha Sah
Partner
Membership No. 201777

Place: Hyderabad
Date: 06.02.2018

for and on behalf of the Board of Directors

Dr. D.K.Likhi
Chairman & Managing Director

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

ANNEXURE-VII

Restated Statement of Accounting Ratios

₹ in Million (unless otherwise stated)

Particulars	For the period ended 30th September 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
Earning Per Share excluding exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	1.46	6.74	6.37	5.53
Diluted (₹)	1.46	6.74	6.37	5.53
Earning Per Share including exceptional items (Equity Shares, Par Value of ₹ 10/- each)				
Basic (₹)	1.46	6.74	6.37	5.53
Diluted (₹)	1.46	6.74	6.37	5.53
Return on networth %	3.72%	17.93%	19.26%	19.19%
Net asset value per equity share (₹)	39.15	37.60	33.08	28.83
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00
Net profit after tax as restated	273.01	1,263.13	1,193.70	1,036.25
Share Capital	1,873.40	1,873.40	1,873.40	1,873.40
Other Equity, as restated	5,460.93	5,170.04	4,323.30	3,527.18
Networth	7,334.33	7,043.44	6,196.70	5,400.58

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

$$\text{Diluted Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding during the year}}$$

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

$$\text{Net Asset Value (NAV) per equity share (₹)} = \frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

2. Earning per share calculations are done in accordance with Indian Accounting Standards 33 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

ANNEXURE-VIII

Restated Statement of Capitalisation

₹ in Million

Particulars	Pre-Offer for the period ended 30th September 2017	Pre-Offer for the year ended 31st March 2017	Adjusted for Post-Offer*
Debt	664.83	223.30	
Shareholder's funds			
- Share Capital	1,873.40	1,873.40	
- Other Equity	5,460.93	5,170.04	
Total Shareholder's funds	7,334.33	7,043.44	
Debt / Equity Ratio	0.09	0.03	

* The Selling Shareholders are proposing to offer the equity shares of "Mishra Dhatu Nigam Limited" to the public by way of an initial public offering. Further, there will be no fresh issue of shares, hence, there will be no change in shareholders' funds post issue.

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-IX

Restated Statement of Tax Shelters

₹ in Million

Particulars	For the period ended 30th September 2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
Profit before tax - As Restated **(A)**	496.84	1,878.50	1,626.45	1,431.89
National Tax Rate **(B)**	34.608%	34.608%	34.608%	33.990%
Tax as per National rate on Profit **(C)**	171.94	650.11	562.89	486.70
ADJUSTMENTS:				
Tax Impact of Permanent Differences due to:				
R&D expenditure	2.41	38.07	28.37	21.84
R & D weighted deductions	(4.82)	(97.50)	(152.21)	(57.44)
CSR Expenses	3.23	7.26	9.56	7.74
Other permanent differences	0.68	1.41	(0.43)	1.04
Earlier years liability discharged in the current year	-	(13.46)	-	(8.25)
Investment allowance	-	-	-	(78.73)
Donations	-	-	-	(1.41)
Forfeiture of Security Deposit				(24.90)
Interest 234 B & 234 C	-	1.81		
Total Tax impact on Permanent Differences (D)	**1.50**	**(62.41)**	**(114.70)**	**(140.11)**
Tax Impact of Temporary Differences due to:				
Depreciation under Companies Act	32.42	61.13	48.68	33.26
Depreciation as per IT Act	(40.53)	(94.47)	(102.73)	(115.26)
Disallowances under Sec 43B	-	44.25	(11.06)	4.31
Provision for Doubtful Debts	(4.18)	11.04	3.36	2.45
Provision for non moving stores and spares	1.03	(4.11)	(2.39)	(1.71)
Provision for contingency & warranty	3.67	8.72	0.35	0.46
OFB Deferred Exp (Net-off)	0.64	1.25	0.87	0.27
VSSC Deferred Exp (Net-off)	(0.02)	0.07	0.16	1.23
AMTL Leave Provision	-	0.12	-	-
Total Tax impact of Timing Difference (E)	**(6.97)**	**28.00**	**(62.78)**	**(74.97)**
Net Adjustment F = (D+E)	(5.47)	(34.41)	(177.48)	(215.08)
Adjusted Tax Liability (C+F)	**166.47**	**615.70**	**385.41**	**271.62**
Less: Relief u/s 91	-	-	-	-
Adjusted Tax Liability	**166.47**	**615.70**	**385.41**	**271.62**
Total Tax as per Return of Income	*	615.70	385.41	290.34 **

* Return not filed
** Tax Liability as per MAT

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-X

Restated Statement of Dividend Paid*

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015 (Proforma)
Number of equity shares outstanding	18,73,40,000.00	18,73,40,000.00	18,73,40,000.00
Dividend paid (₹ in Million)	354.09	334.68	334.68
Interim Dividend (₹ in Million)	-	-	40.00
Rate of Dividend (%)	18.90%	17.86%	20.00%
Dividend per Equity Share (₹)	1.89	1.79	2.00

* Refers to dividend actually paid during the respective year

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-I A

Restated Summary Statement of Assets and Liabilities

(₹ in Million)

Particulars	Note No.	As at 31st March 2014	As at 31st March 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	1,873.40	1,873.40
Reserves and Surplus	4	2,533.32	1,999.09
Share application money pending allotment		0.00	0.00
Non-Current Liabilities			
Long-term borrowings	5	181.75	135.84
Deferred tax liabilities (net)	6	64.26	3.25
Other long term liabilities	7	2,114.00	3,775.72
Long term provisions	8	4.93	149.18
Current liabilities			
Short-term borrowings	9	278.51	563.50
Trade payables	10	969.36	742.81
Other current liabilities	11	2,815.06	2,791.68
Short term provisions	12	2,601.16	2,295.63
		13,435.74	**14,330.10**
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	13	1,129.57	651.78
- Intangible assets	13	25.21	29.96
- Capital work in progress	14	1,179.26	1,350.24
Non Current investments	15	21.01	21.01
Long term loans and advances	16	13.90	28.70
Other non current assets	17	0.14	0.62
Current assets			
Inventories	18	4,527.87	5,440.72
Trade receivables	19	2,368.71	2,673.81
Cash and Bank Balances	20	1,056.49	1,729.82
Short term loan and advances	21	3,039.92	2,271.41
Other current assets	22	73.67	132.03
		13,435.74	**14,330.10**

Note:
The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-IVA, Adjustment for Restatement of Profit and Loss in Annexure VA, Restated Statement of Accounting Ratios in Annexure-VIA, Restated Statement of Capitalisation in Annexure-VIIA, Restated Statement of Tax Shelters in Annexure VIIIA and Restated Statement of Dividend Paid in Annexure IXA.

See accompanying notes forming part of the Restated Financial Information 1 to 31

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-II A

Restated Summary of Statement of Profit and Loss

(₹ in Million)

Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
Revenue:			
Revenue from operations	23	6352.83	5653.33
Other income	24	209.35	198.57
Total Revenue		**6562.17**	**5851.89**
Expenses			
Cost of materials consumed	25	1960.76	1773.85
Change in inventory of finished goods, work-in-progress and stock-in trade	26	515.91	212.25
Employee benefits & expenses	27	966.36	963.67
Finance costs	28	41.94	68.43
Depreciation and amortisation expense	13	60.38	51.61
Other expenses	29	1701.16	1489.95
Total expenses		**5246.51**	**4559.76**
Profit / (Loss) before exceptional and extraordinary items and tax		**1315.66**	**1292.13**
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		**1315.66**	**1292.13**
Extraordinary items	30	(26.26)	-
Profit / (Loss) before tax		**1341.92**	**1292.13**
Tax expense			
1. Current Tax		361.48	391.82
2. Earlier Year Tax		(55.74)	(37.11)
3. Deferred Tax		61.01	(2.13)
Profit / (Loss) for the period from continuing operations		**975.17**	**939.55**
Profit / (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations after tax		-	-
Profit / (Loss) for the period		**975.17**	**939.55**
Earning per equity share (Amount in ₹)			
Basic		5.21	5.02
Diluted		-	-

Note:
The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-IVA, Adjustment for Restatement of Profit and Loss in Annexure VA, Restated Statement of Accounting Ratios in Annexure-VIA, Restated Statement of Capitalisation in Annexure-VIIA, Restated Statement of Tax Shelters in Annexure VIIIA and Restated Statement of Dividend Paid in Annexure IXA.

See accompanying notes forming part of the Restated Financial Information 1 to 31

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-III A

Restated Summary Statement of Cash Flows

(₹ in Million)

Particulars	For the year ended 31st Mar 2014	For the year ended 31st Mar 2013
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,341.92	1,292.13
Adjustment to reconcile net income to net cash providing by operating activities	(195.16)	(309.53)
Depreciation	61.75	52.13
Interest Paid	41.94	68.43
Interest Received	(109.22)	(179.62)
Write back of provisions	-	-
Profit/Loss on fixed assets	-	-
Write Offs	216.87	147.66
Exchange Rate Variation	(0.64)	1.20
Provision for Doubtful debts / Advances/ Modvat / Non-moving stores / spares	(122.07)	39.98
Sub-Total	(106.53)	(179.75)
Operating Profit before Working Capital Changes	**1,235.39**	1,112.39
Adjustment for Changes in Assets and Liabilities		
(Increase) / Decrease in Trade Receivables	237.51	(1,321.52)
(Increase) / Decrease in Inventories	301.38	(1,007.09)
(Increase) / Decrease in Other Current Assets	(453.61)	(284.54)
Increase / (Decrease) in Trade Payables & Other Liabilities	(717.54)	4,141.29
Increase / (Decrease) in Bank Borrowings	(239.08)	(427.94)
Sub-Total	**(871.34)**	1,100.20
Cash Generated from Operations before Adj. from Other Assets	**364.05**	2,212.59
Adjustment for Other Assets	-	-
Sub-Total		
Cash Generated from Operations	**364.05**	2,212.59
Direct Tax Paid	(383.90)	(357.10)
Sub-Total	**(383.90)**	(357.10)
Net Cash provided by Operating Activities (a)	**(19.85)**	1,855.49
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(349.14)	(1,213.68)
Proceeds from Sale of Fixed Assets	-	
Interest Received	169.15	79.01
Net Cash provided (used in) by Investing Activities (b)	**(179.99)**	(1,134.67)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(41.94)	(68.43)
Dividend Paid	(374.68)	(366.68)
Tax on Dividend Paid	(56.88)	(59.49)
Share capital/Share application money increase/decrease		
Net Cash provided by Financing Activities (c)	**(473.50)**	(494.60)

Abstract		
Net Cash provided by Operating Activities (a)	**(19.85)**	1,855.49
Net Cash provided (used in) by Investing Activities (b)	**(179.99)**	(1,134.67)
Net Cash provided by Financing Activities (c)	**(473.50)**	(494.60)
Net Increase/(decrease) in cash & cash equivalent during the year	**(673.34)**	226.21
Cash and Cash equivalent at the beginning of the year	**1,729.96**	1,503.75
Cash and Cash equivalent at the end of the year	**1,056.63**	1,729.96
	(673.34)	226.21

Components of Cash and Cash equivalents as at	**31st March 2014 (₹ in Million)**	**31st March 2013 (₹ in Million)**
Cash on Hand	**0.51**	0.28
With Post Office Savings Bank Account	**0.14**	0.14
With Scheduled Banks		
- in Current Account	**85.98**	39.54
- in Fixed Deposit	**970.00**	1,690.00
TOTAL	**1,056.63**	1,729.96

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-IVA, Adjustment for Restatement of Profit and Loss in Annexure VA, Restated Statement of Accounting Ratios in Annexure-VIA, Restated Statement of Capitalisation in Annexure-VIIA, Restated Statement of Tax Shelters in Annexure VIIIA and Restated Statement of Dividend Paid in Annexure IXA.

See accompanying notes forming part of the Restated Financial Information 1 to 31

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
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Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-IV A

Notes forming part of the restated Financial Information for the year ended 31st March 2014 and 31st March 2013

1. Company Overview

Mishra Dhatu Nigam Limited ("the Company") a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at 'P.O. Kanchanbagh, Hyderabad, 500058'.

The Restated Summary Statement of Assets and Liabilities of the Company as at 31st March 2014 and 31st March 2013 and the related Restated Summary Statement of Profit and Loss and Restated Summary Statement of Cash Flows for the years ended 31st March 2014 and 31st March 2013 (hereinafter collectively referred to as "Restated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

2. **Significant Accounting Policies:**

1.0 Accounting Method:

The Financial accounts are prepared under the accrual basis at historical cost unless otherwise stated.

2.0 Fixed Assets:

2.1.1 Land received from the Government as alienation/acquisition has been valued either at cost or estimated market value as indicated by State Government pending determination of liability.

2.1.2 The expenditure on development of open land is capitalized as part of the cost of land.

2.2 Other fixed assets are stated at cost. Cost includes, where applicable, allocation of expenditure during construction and expenditure as part of start up and commissioning.

2.3 Capital works, done internally, are valued at prime cost i.e., cost of direct labour, direct material and direct expenses

2.4.1 Initial pack of spares procured along with the plant, machinery and equipment are capitalized and depreciated in the same manner as plant and machinery.

2.4.2 When a major overhaul/revamping of the asset is carried out resulting in increase in future benefits from the existing beyond its previously assessed standard of performance, additional expenditure incurred for such overhauling/revamping will be capitalized in the year in which the overhauling/revamping of the asset is completed.

2.4.3 Any purchase of spares subsequent to purchase of machinery and fitted into the equipment only results in maintaining the previously estimated standard of performance and does not improve the previously estimated standard of performance, the same will be charged off to revenue in the year of purchase.

2.4.4 Worn out spares on replacement which were in integral part of the existing asset will be transferred to scrap at NIL value.

2.5 Where actual cost of fixed assets cannot be accurately ascertained, such assets are initially capitalized on the basis of estimated cost. On ascertaining actual, gross block is adjusted and depreciation is provided proportionately over the balance life of the asset.

2.6 “Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under “Other Current Assets” as a separate line item at the lower of their net book value and net realisable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.”

2.7 Depreciation on fixed assets is charged on straight-line method at the rates and in the manner laid down in Schedule-XIV to the Companies Act, 1956, as amended from time to time.

2.8.1 In respect of certain fixed assets, depreciation has been provided for on the basis of technical evaluation at the rates higher than the rates laid down in Schedule – XIV to the Companies Act.

2.8.2 When major revamping/overhauling of a fixed asset is carried out, the extended life of the asset will be technically evaluated for arriving at the estimated revised life of the asset and depreciation will be charged systematically over the balance useful life of the asset.

2.9 In respect of Plant and Machinery, rate prescribed for continuous process plant is adopted based on technical evaluation.

2.10 Assets whose actual cost does not exceed ₹ 5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

3.0 Impairment of Assets:

As at the end of each balance sheet date, the carrying amount of assets is assessed as to whether there is any impairment. If the estimated recoverable amount is less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

4. Inventories and Valuation:

Inventories are valued on the following basis:

4.1 Raw materials, consumables, spares and Tools and Instruments in Central Stores:

At weighted average Cost.

4.2 **Raw materials in Shop floor/Sub-stores in the shops**

– At weighted average rate of Central Stores, at the end of the year.

4.3 **Consumables in Shop floor/Sub-Stores**

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

4.4 **Re-usable process scrap, process rejections and sales rejections with customers for return**

At estimated realizable value for scrap.

4.5 **Tools and Gauges:**

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

4.6 **Work-in-process** – At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

4.7 **Finished Goods** – At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

4.8 Goods in transit are valued at cost.

4.9.1 Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

4.9.2 Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials	:	85% of the book value
Consumables and Spares	:	50% of the book value

4.10 Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

5.0 **Claims by / against the Company:**

5.1 Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

5.2 Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

5.3 Liquidated Damages on suppliers are accounted on recovery. Liquidated damages levied by the customers are charged off on recovery/advise from the customers.

5.4 Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts, however, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

5.5 Provision for Doubtful Debts is made on the amounts due from other than Govt.Depts. & PSUs at the rates determined by the Board. (Less than one year – Nil, One to Two years 10%, Two to Three years 25%, Three to Four years 50%, Four to Five years 80% and above Five years 100%).

5.6 Provision towards warranty against supplies: "Provision for Contingencies & Warranty" to take care of rejected/returned material by customers is provided at 0.25% of turnover related to Manufactured Products.

6.0 **Employee Benefits:**

6.1 Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. Demands made by the trust on account of annual renewal premium of the LIC policy are charged to Statement of Profit and Loss.

6.2 The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand raised by LIC based on actuarial valuation is charged to Statement of Profit and Loss.

6.3 Settlement Allowance: Employees are paid eligible amount at the time of separation (except on resignation and termination) for their settlement.

6.4 Pension Scheme for the eligible employees, as per Government Guidelines, is administered by a separate Trust, which has taken a policy with LIC of India. Company contributes to the Trust as per the provisions of the guidelines and contributions are charged to Statement of Profit and Loss.

7.0 **Sales:**

7.1 Sales include Excise Duty

7.2.1 In case of sales Ex-Works contracts, sale is set up when the goods are handed over to the carrier/agent for desptach to the buyer and wherever customer's prior inspection is stipulated, sale is accounted only after acceptance by customer's inspector.

7.2.2 In the case of sales on FOR/FOB destination contracts, sale is set up considering the expected time in respect of despatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

7.3 Where sale prices are not established, sales are set up on provisional basis at prices likely to be realized.

8.0 **Physical verification of Fixed Assets and Inventory:**

8.1 Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year. Reconciliation is made for all items except minor value items like miscellaneous shop equipment, furniture, office equipment etc., individually valued ₹2000/- and less.

8.2 Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

8.3 Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

9.0 **Accounting for Foreign Currency transactions:**

9.1 Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of transaction.

9.2 Monetary items denominated in foreign currencies at the year end are restated at year end rates and Non-monetary items are carried at cost.

9.3 Exchange differences arising on settlement/restatement at rates different from those at which were initially recorded are recognized as income or as expenses in the year in which they arise.

10.0 **Accounting on Cash basis:**

10.1 The following items are accounted at the time of receipt/payment.

(a) Sale of unserviceable scrap / stores
(b) Export Incentives

10.2 Claims such as for price variation on sales contracts/orders are accounted on settlement of claim.

11.0 **Investments**:

11.1 Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost or fair value determined on an individual investment basis.

11.2 All other investments are classified as long term investments and are carried at cost after providing for any diminution in value, if such diminution is of a permanent nature.

12.0 **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

13.0 **Deferred Tax**:

Deferred Tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14.0 **Extra-ordinary and exceptional Items:**

Extra-ordinary and exceptional items are separately disclosed in the Statement of Profit & Loss.

15.0 **Provisions**:

A provision is recognized when the company has a present obligation 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 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.

16.0 **Classification of Expenditure:**

All expenditure and income are accounted for under natural heads of accounts. Where necessary, allocation of expenditure on functional basis has been given by way of note to the financial statements.

3. Restated Summary Statement of Share Capital

(₹ in Million)

PARTICULARS	As at 31st Mar 2014	As at 31st March 2013
Authorised		
Equity shares		
200,000,000 shares @ ₹ 10/- per share	2000.00	2000.00
(Previous Year 200,000,000 shares @ ₹ 10/- per share)		
	2000.00	**2000.00**
Issued		
Equity shares		
187,340,000 shares @ ₹ 10/- per share	1873.40	1873.40
(Previous Year 187,340,000 shares @ ₹ 10/- per share)		
	1873.40	**1873.40**
Subscribed and fully Paid up		
Equity shares		
187,340,000 shares @ ₹ 10/- per share	1873.40	1873.40
(Previous Year 187,340,000 shares @ ₹ 10/- per share)		
	1873.40	**1873.40**
Grand Total	**1873.40**	**1873.40**

Approval of share holders for sub-division of shares accorded at the extraordinary general meeting of the Company held on 26th October 2017

The company has only one class of share, i.e., equity shares having the face value of ₹ 10/- per share. Hundred percent shares is held by President of India.

Reconciliation of shares outstanding at the beginning and at the end of the period :

PARTICULARS	As at 31st Mar 2014		As at 31st March 2013	
	Number of Shares	**Amount (₹ in Million)**	**Number of Shares**	**Amount (₹ In Million)**
Outstanding as at Opening Date	18,73,40,000	1,873.40	18,33,40,000	1,833.40
Add: Issued during the period				
- To President of India	-	-	40,00,000	40.00
- To Employees	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**1,873.40**	**18,73,40,000**	**1,873.40**

4. Restated Summary Statement of Reserves and Surplus

(₹ in Million)

Particulars	As at 31st Mar 2014		As at 31st March 2013	
Surplus				
Opening Balance		1,999.09		1,495.00
Add: Amount transferred from statement of profit and loss	975.17		939.55	
Less: Amount utilized (dividend plus dividend tax)	440.94	534.23	435.46	504.09
Closing Balance		**2,533.32**		**1,999.09**

(₹ in Million)

Details of dividend and dividend tax:-	As at 31st Mar 2014	As at 31st Mar 2013
Interim Dividend	40.00	40.00
Proposed Dividend	334.68	334.68
Dividend tax	66.26	60.78
Total	**440.94**	**435.46**

5. Restated Summary Statement of Long Term Borrowings

(₹ in Million)

PARTICULARS	As at 31st Mar 2014	As at 31st Mar 2013
Secured		
Term Loans		
from Banks	132.92	-
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan) (Excluding ₹ 23.46 million (Previous Year NIL) which is due for payment within 12 months treated as Other Current Liability and included under Note 9)		
Repayable in 60 monthly equal installments		
	132.92	-
Unsecured		
Term Loans		
Loan from Govt of India	16.00	98.00
(Excluding ₹ 82 million (Previous Year ₹ 100 million) which is due for payment within 12 months treated as Other Current Liability and included under Note 9)		
Terms of Repayment, every year 1/5 of the principal amount		
Advances - Augmentation Facilities - VSSC	32.84	37.84
(This represents balance amount payable (net of ₹ 5.00 million (Previous Year ₹ 5.00 million) repayable within 12 months and included under Note No.9) against refundable loan of ₹ 47.84 million received from VSSC for upgradation of forge press.)		
	48.84	135.84
Total	**181.75**	**135.84**

6. Restated Summary Statement of Deferred Tax Liability (Net)

(₹ in Million)

PARTICULARS	As at 31st Mar 2014	As at 31st Mar 2013
Deferred Tax liabilities		
On Depreciation	106.72	85.51
Sub Total	**106.72**	**85.51**
Deferred Tax Assets		
On Provision	33.91	25.13
On Disallowance as per IT Act	8.55	57.13
Sub Total	**42.46**	**82.26**
Net Total	**64.26**	**3.25**

7. Restated Summary Statement of Other Long Term Liabilities

(₹ in Million)

PARTICULARS	As at 31st Mar 2014	As at 31st Mar 2013
Trade Payables		
SD - Contractors for Works (Capital)	-	3.71
Material Received on Loan - Kaveri Project	2.36	2.36
Other Liabilities - VSSC	5.47	5.47
Expenditure CFP - TIFAC - TDAA	0.03	0.03
Advances Others	6.51	6.51
Security Deposit Realised from M/S HBE PRESS, KOREA**	-	73.27
Advances from Customers	2,099.63	3,684.36
Total	**2,114.00**	**3,775.72**

** This will be set-off against final stage of capitalization of Forge Press

8. Restated Summary Statement of Long Term Provisions

(₹ in Million)

PARTICULARS	As at 31st Mar 2014	As at 31st Mar 2013
Provision for employee benefits		
Gratuity	4.05	3.35
Leave encashment	0.88	145.83
Others (Specify nature)		
Total	**4.93**	**149.18**

MISHRA DHATU NIGAM LIMITED

9. Restated Summary Statement of Short Term Borrowings

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Secured		
Banks		
From State Bank of India-Cash Credit	-	0.00
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
From various banks-short term overdraft secured by pledge of fixed deposits	278.51	563.50
(Secured by Fixed Deposits of ₹ 3094.53 Lakhs (Previous Year ₹ 6261.13 Lakhs)		
Sub Total (a)	278.51	563.50
Unsecured		
NIL	-	-
Sub Total(b)	-	-
TOTAL(a+b)	278.51	563.50

10. Restated Summary Statement of Trade Payables

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Micro, Small & Medium Enterprises	10.40	-
Others @	958.96	742.81
Total	**969.36**	**742.81**

@Balances in Trade Payables are subject to confirmation and/ or reconciliation.

11. Restated Summary Statement of Other Current Liabilities

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Advances from customers	1,849.98	1,649.87
Advance for Customer Financed projects	91.15	40.53
Earnest money deposit	2.18	2.95
Security Deposit	8.50	4.01
Liabilities to customers	199.59	67.34
Material Received on Loan - Others	9.56	47.56
Other creditors	292.94	659.44
Salary liability	112.50	168.11
Taxes and duties payable	69.94	51.88
Security Deposit Realised from M/S HBE PRESS, KOREA*	73.27	-
Loan from Govt of India Ministry of Defence **	82.00	100.00
Term Loan from State Bank of India	23.46	-
Total	**2,815.06**	**2,791.68**

* This will be set-off against final stage of capitalization of Forge Press

** This is earmarked for procurement of Forge Press exclusively which is kept in fixed deposit and payable within 12 months

12. Restated Summary Statement of Short Term Provisions

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Provision for Employee Benefits		
for Leave Salary	24.28	30.26
for Gratuity	21.31	31.69
for Post Retirement Medical Scheme	18.22	14.78
for Pension Scheme	25.06	27.40
for Others	52.97	49.67
Others (Specify nature)		
Provision for taxation	2045.91	1740.16
Proposed dividends	334.68	334.68
Corporate dividend tax	63.68	54.29
Provision for Contingencies & Warranty	13.96	11.60
Provision others	1.10	1.10
Total	**2601.16**	**2295.63**

13 Restated Summary Statement of Fixed Assets (₹ in Million)

	Land	Buildings/ Drainage/ water systems	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Other (Electrical installations)	Others (Roads and bridges)	Others (Unserviceable)	Total Tangible Assets	Computer software	Copyrights & Patents and other intellectual property rights, services and operating rights	Total Intangible Assets
Year ended 31st March 2013													
Gross Carrying amount													
Opening gross carrying amount	12.88	222.46	1,473.59	15.42	17.38	75.98	40.22	7.03	4.76	**1,869.72**	0.66	-	**0.66**
Additions	-	3.85	57.53	2.77	8.31	5.66	15.24	-	-	**93.36**	32.27	1.50	**33.77**
Disposals	-	-	-	-	-	-	-	-	-	**-**	-	-	**-**
Closing gross carrying amount	**12.88**	**226.31**	**1,531.12**	**18.19**	**25.69**	**81.65**	**55.46**	**7.03**	**4.76**	**1,963.08**	**32.92**	**1.50**	**34.42**
Accumulated depreciation													
Opening accumulated depreciation	-	161.41	1,003.48	9.76	7.55	44.36	28.59	3.41	4.73	**1,263.28**	0.36	-	**0.36**
Depreciation charge during the year	-	2.72	32.73	0.94	1.48	8.62	0.91	0.12	-	**47.51**	4.00	0.10	**4.10**
Disposals	-	(0.16)	(0.33)	-	(0.02)	(0.00)	-	-	-	**(0.52)**	-	-	**-**
Closing accumulated depreciation	**-**	**164.29**	**1,036.54**	**10.69**	**9.04**	**52.99**	**29.50**	**3.53**	**4.73**	**1,311.30**	**4.36**	**0.10**	**4.46**
Net carrying amount	**12.88**	**62.02**	**494.59**	**7.50**	**16.65**	**28.66**	**25.96**	**3.50**	**0.03**	**651.78**	**28.57**	**1.40**	**29.96**
Year ended 31st March 2014													
Gross Carrying amount													
Opening gross carrying amount	12.88	226.31	1,531.12	18.19	25.69	81.65	55.46	7.03	4.76	**1,963.08**	32.92	1.50	**34.42**
Additions	-	49.17	451.87	2.04	4.51	3.67	28.87	-	-	**540.12**	0.68	-	**0.68**
Disposals	-	5.31	37.06	1.99	0.91	15.69	2.76	-	4.76	**68.47**	-	-	**-**
Closing gross carrying amount	**12.88**	**270.17**	**1,945.92**	**18.24**	**29.30**	**69.63**	**81.57**	**7.03**	**-**	**2,434.73**	**33.60**	**1.50**	**35.10**
Accumulated depreciation													
Opening accumulated depreciation	-	164.29	1,036.54	10.69	9.04	52.99	29.50	3.53	4.73	**1,311.30**	4.36	0.10	**4.46**
Depreciation charge during the year	-	4.24	36.73	0.76	2.73	8.33	2.04	0.12	-	**54.94**	5.19	0.24	**5.43**
Disposals	-	4.34	33.73	(0.05)	0.36	15.42	2.58	-	4.73	**61.09**	-	-	**-**
Closing accumulated depreciation	**-**	**164.20**	**1,039.54**	**11.50**	**11.42**	**45.90**	**28.96**	**3.65**	**-**	**1,305.16**	**9.55**	**0.35**	**9.89**
Net carrying amount	**12.88**	**105.97**	**906.39**	**6.74**	**17.88**	**23.73**	**52.61**	**3.39**	**-**	**1,129.57**	**24.05**	**1.15**	**25.21**

1. Net effect of depreciation provided on the assets for which higher rate of depreciation than the rates prescribed is enclosed at annexure.

2. No revaluation has been made of the assets during the period mentioned above.

3. Conveyance deeds for 275 acres and 35 guntas of Land acquired are yet to be executed. Out of the above, the extent of land leased to the following parties: DRDO- 35 acres and 39 guntas, AP State Govt.- 1 acre BDL- 1 acre, and 1.5 acres is under dispute on account of unauthorized possession by a third party.

4. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.

5. The indications listed in paragraph 8 to 10 of Accounting Standard 28 -Impairment of Assets, have been examined and on such examination, it has been found that none of the indications are present in the case of the Company and hence no provision for a potential impairment loss is required. In respect of Titanium Tube Plant,a comparison of the estimated coverable amount vis a vis the carrying cost indicates that there is no potential impairment loss and hence no provision is required

6. Pending registration/receipt of claims no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)

7. Plant and Machinery includes ₹ 37.83 million (Previous Year ₹ 18.63 million) for R & D capital costs.

8. Fixed Assets does not include assets valued ₹ 993.12 million (previous year ₹ 988.83 million) pertaining to customer financed projects.

9. Assets Gross Block of ₹ 46.29 million (Previous Year NIL) identified as Not traceable and the same were removed from the Fixed Assets Register and the Net Block of ₹ 4.46 million (Previous Year NIL) was written-off

10. Assets Gross Block of ₹ 22.19 million (Previous Year NIL) identified as condemned and the same were removed from the Fixed Assets Register and the Net Block of ₹ 1.56 million (Previous Year NIL) was shown in the Other Current Assets as 'Assets Held for Disposal' as per Accounting Policy 2.6

11. Depreciation rate adopted by the company in respect of following assets is significantly higher than the statutory minimum rates prescribed under the Companies Act, 1956.

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Rate %	Amount ₹ in Million	Rate %	Amount ₹ in Million	Amount ₹ in Million
Plant and Equipment	7.87	5.28	0.42	20	1.58	1.16
Other(Electrical installations)	0.22	4.75	0.01	33.33	0.06	0.06
Office equipment	1.87	16.21	0.28	33.33	0.85	0.57
Office equipment	0.03	6.33	0.00	33.33	0.01	0.01
Office equipment	0.14	4.75	0.01	20	0.02	0.01
Office equipment	0.02	6.33	0.00	20	0.00	0.00
TOTAL	**10.15**		**0.72**		**2.52**	**1.81**
Previous Year	8.28		0.44		1.68	1.24

14. Restated Summary Statement of Capital Work-in-Progress

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Capital Work-in-Progress-Civil	75.70	56.22
Capital Work-in-Progress-Plant & Machinery Under Erection *	1,092.15	452.33
Plant,Machinery & Equipment under Inspection & in Transit	11.41	841.69
Total	**1,179.26**	**1,350.24**

* This includes an adjustment of ₹ 14.30 million (Previous Year (₹ 6.47 million)) towards net Borrowing Cost on the Govt. Loan & Term Loan from Bank taken for Forge Press

15. Restated Summary Statement of Non Current Investments

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Trade Investments Non-Trade, Unquoted AT COST		
Other Investment		
Investment in Equity instruments	10.72	10.72
AP Gas Power Corporation Limited		
- 18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each		
- 4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	10.29	10.29
Total	**21.01**	**21.01**

16. Restated Summary Statement of Long Term Loans and Advances

(₹ in Million)

Particulars		As at 31st Mar 2014		As at 31st Mar 2013
Capital Advances				
For purchase of fixed assets				
Secured, considered good ^		3.14		-
Doubtful - Capital Goods	3.55		3.55	
Less:Provision for doubtful advances	3.55	-	3.55	-
Unsecured, considered good		10.62		28.43
Sub-Total		13.76		28.43
Other loans and advances (specify nature)				
secured considered good(employee advance)		0.14		0.27
Sub-Total		0.14		0.27
Total		**13.90**		**28.70**

^Secured advances considered good includes advance payment made to Danieli & C.Officine Meccaniche S.P.A. for 6000T Forge Press ₹ 3.14 million (Previous Year Nil) secured by way of Bank Guarantee

17. Restated Summary Statement of Other Non-Current Assets

(₹ in Million)

Particulars		As at 31st Mar 2014		As at 31st Mar 2013
Long term trade receivables (including trade receivables on deferred credit terms)		-		-
		-		-
Others (specify nature)				
Others -Post office savings $		0.14		0.14
Prepaid expenses		-		0.48
Doubtful Advance to supplier	2.37		2.37	
Less: Provision for doubtful advance	2.37	-	2.37	-
Obsolete and slow moving -Raw material	5.84		3.23	
Less:Provision for obsolete and slow moving -Raw material	5.84	-	3.23	-
Obsolete and slow moving -consumables	6.64		4.01	
Less:Provision for obsolete and slow moving -consumables	6.64	-	4.01	-
Obsolete and slow moving -spares	27.48		20.53	
Less:Provision for obsolete and slow moving -spares	27.48	-	20.53	-
Other current assets (related parties)		-		-
Total		**0.14**		**0.62**

$Pledged with Excise Authorities ₹ 0.14 million (Previous Year ₹ 0.14 million).

18. Restated Summary Statement of Inventories

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Raw Materials and components	1194.87	1547.31
Goods-in transit	524.51	385.95
Total	**1719.39**	**1933.25**
Work-in-progress #	2358.77	2872.13
	2358.77	**2872.13**
Finished goods in transit	2.67	5.21
Total	**2.67**	**5.21**
Stores and spares	51.40	55.19
Goods-in transit	11.68	3.43
Total	**63.08**	**58.62**
Loose Tools	1.65	1.42
Total	**1.65**	**1.42**
Consumables	156.96	123.30
Goods-in transit	27.64	17.53
Total	**184.60**	**140.83**
Internally generated Scrap/rejected material	197.72	429.26
Total	**197.72**	**429.26**
Grand Total	**4527.87**	**5440.72**

The Inventory does not include material held in trust on behalf of customers.

#Work in progress Include materials lying with sub-contractors ₹ 60.65 million (Previous year ₹ 76.13 million) and is subject to confirmation of balance by sub-contractors.

Work in progress has been valued as per the accounting policy 4.6. However work in process carried over from earlier years is valued at on the basis of value as on 1st April 2013 or realisable market value during 2013-14 whichever is lower.

19. Restated Summary Statement of Trade Receivables

(₹ in Million)

Particulars	As at 31st Mar 2014		As at 31st Mar 2013	
Debts Outstanding for period exceeding Six Months				
Secured, considered good		-		-
Unsecured, considered good $		700.88		935.67
Unsecured, considered doubtful-trade receivable	78.86		3.17	
Less: Provision for doubtful debts-trade receivable	78.86	-	3.17	-
Total		**700.88**		**935.67**
Other Debts				
Secured, considered good		-		-
Unsecured, considered good $		1667.83		1738.14
Unsecured, considered doubtful-trade receivable	-		-	
Less: Provision for doubtful debts-trade receivable	-	-	-	-
Total		**1667.83**		**1738.14**
Grand Total		**2368.71**		**2673.81**

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

$ Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

20. Restated Summary Statement of Cash and Bank Balances

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Cash and cash equivalents:		
Cash on hand	0.51	0.28
Balance with banks	85.98	39.54
Other Bank balances:		
Fixed Deposits held with various banks upto 12 months maturity ^	660.55	1063.89
Fixed Deposit with banks upto 12 months maturity(to the extent pledged for OD)	309.45	626.11
Total	**1056.49**	**1729.82**

^ Bank deposits includes ₹ Nil (Previous Year ₹ 567.90 million) received from MOD towards financing of Forge Press.

21. Restated Summary Statement of Short Term Loan and Advances

(₹ in Million)

Particulars	As at 31st Mar 2014	As at 31st Mar 2013
Others (specify nature)		
Secured, considered good		
Advances to employee	0.23	0.21
Unsecured, considered good		
Advance income tax	2217.49	1826.03
Tax deducted at source	4.85	3.58
Prepaid expenses	6.19	12.59
VAT/Modvat/Service Tax/Customs Duty receivable	252.14	145.21
Claims receivable	52.08	39.89
Deposit with Customs and Excise	25.70	44.73
Deposit with others	13.17	10.08
Advance to employees	3.74	3.99
Advance to supplier	246.01	156.92
Customer Finance Projects	218.32	28.18
Total	**3039.92**	**2271.41**

22. Restated Summary Statement of Other Current Assets

(₹ in Million)

Particulars	As at 31st Mar 2014		As at 31st Mar 2013	
Interest accrued on Bank Deposits		71.98		131.92
Interest accrued-doubtful	28.66		28.66	
Less: Provision for Interest accrued-doubtful	28.66	-	28.66	-
Interest accrued on loans to employees-considered good		0.13		0.11
Others-Dispatches with sub contractors		-		0.00
Assets Held for Disposal		1.56		-
Total		**73.67**		**132.03**

23 : Restated Summary Statement of Revenue from Operations

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
(a) -Sale of Manufacturing Products	6350.51	5391.88
Sub-Total	6350.51	5391.88
(b) Sale of Expert Sourcing Solution	-	277.79
Sub-Total	-	277.79
(c) Sale of Services	37.49	24.29
Sub-Total	37.49	24.29
(d) Other Operating Revenues	45.72	6.33
Sub-Total	45.72	6.33
Revenue including Excise Duty	6433.71	5700.28
Less: Excise Duty	80.88	46.96
Total	**6352.83**	**5653.33**

24. Restated Summary Statement of Other Income

(₹ in Milliion)

Particulars	Nature (Recurring / Non-recurring)	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Interest Income			
- From Banks	Recurring	109.22	179.62
- From Employees	Recurring	0.05	0.06
- From Others	Non-Recurring	16.86	-
Liquidated Damages	Recurring	9.40	13.62
Exchange rate variance written back	Recurring	0.64	-
Income from Sale of Unserviceable Scrap	Recurring	-	0.58
Excess Liabilities written back	Non-Recurring	69.73	-
Other miscellaneous income		3.44	4.69
Total		**209.35**	**198.57**

Details of Other miscellaneous income:

(₹ in Million)

Particulars	Nature (Recurring / Non-recurring)	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Sale of Application Forms (Personnel)	Recurring	0.21	0.14
Service Charges received from AMTL /GTRE	Recurring	1.48	1.40
Write Back of Old Advances received from Customers	Non-recurring	1.45	1.59
Bond Charges recovered	Non-recurring	0.01	0.01
Others	Non-recurring	0.30	1.55
Total		**3.44**	**4.69**

25.Restated Summary Statement of Cost of Material Consumed

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Cost of Material for manufactured products *	1960.76	1773.85
Total	**1960.76**	**1773.85**

* Includes ₹ 33.12 million (Previous Year NIL) towards primary melting outsourced to SAIL, VISL

26. Restated Summary Statement of Change in Inventory of Finished Goods, Work-in-Progress and Stock in Trade

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Opening Stock		
Work-in-progress	2,872.13	3,020.92
Finished Stock	5.21	68.67
	2,877.34	3,089.59
Closing Stock		
Work-in-progress	2,358.77	2,872.13
Finished Stock	2.67	5.21
	2,361.43	2,877.34
(Increase) / Decrease		
Work-in-progress	513.37	148.78
Finished Stock	2.54	63.46
Total	**515.91**	**212.25**

27. Restated Summary Statement of Employee Benefits & Expenses

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Salaries, wages	651.10	600.58
Contribution to provident fund and other funds-	58.84	57.06
Gratuity	33.93	56.59
Leave Encashment	40.69	55.38
Workmen and staff welfare expenses	144.32	154.81
Leave salary and pension contribution	24.73	27.51
Directors remuneration	12.76	11.75
Total	**966.36**	**963.67**

Disclosure relating to AS-18. Related Parties:

Remuneration to Key Management Personnel:

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
(a) Shri M Narayana Rao Chairman & Managing Director	5.07	4.59
(b) Shri V.S.Krishna murthy Director (Finance)	3.76	3.68
(c) Dr.D.K.Likhi Director (Prodn.&Mktg.)	3.93	3.48

As per the provision of the Revised Accounting Standard-15, the following information is disclosed in respect of gratuity as per actuarial valuation as on 31.03.2014 provided by LICGGF with whom the company has taken the Policy through its Gratuity Trust.

	Report Under AS - 15 (Revised 2005)(PROVISIONAL) as on 31/03/2014		
	in respect of GGCA scheme of MISHRA DHATU NIGAM LIMIITED		
	POLICY NO.510424	**As on 31/03/2014**	**As on 31/03/2013**
1	Assumptions		
	Discount Rate	8.00%	8.00%
	Salary Escalation	4.00%	4.00%
2	Table showing changes in present value of obligations		
	Present value of obligations as at beginning of year	489.02	485.08
	Interest cost	39.12	38.81
	Current Service Cost	12.18	12.18
	Benefits Paid	97.75	93.92
	Actuarial (gain)/Loss on obligations	22.03	46.87
	Present value of obligations as at end of year	464.60	489.02
3	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	457.33	465.47
	Expected return on plan assets	39.84	42.20
	Contributions	43.87	43.58
	Benefits paid	97.75	93.92
	Actuarial Gain / (Loss) on Plan assets	-	-
	Fair value of plan assets at the end of year	443.30	457.33
5	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	457.33	465.47
	Actual return on plan assets	39.84	42.20
	Contributions	43.87	43.58
	Benefits Paid	97.75	93.92
	Fair value of plan assets at the end of year	443.30	489.98
	Funded status	(21.31)	0.96
	Excess of Actual over estimated return on plan assets		
	(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
6	Actuarial Gain/Loss recognized		
	Actuarial gain/(Loss) for the year -Obligation	22.03	46.87
	Actuarial (gain)/Loss for the year - plan assets	-	-
	Total (gain)/Loss for the year	22.03	46.87
	Actuarial (gain)/Loss recognized in the year	22.03	46.87
7	The amounts to be recognized in the balance sheet and statements of profit and loss		
	Present value of obligations as at the end of year	464.60	489.02
	Fair value of plan assets as at the end of the year	443.30	489.98
	Funded status	(21.31)	0.96
	Net Asset/(liability) recognized in balance sheet	(21.31)	0.96

8	Expenses Recognised in statement of Profit & loss		
	Current Service cost	12.18	12.18
	Interest Cost	39.12	38.81
	Expected return on plan assets	39.84	42.20
	Net Actuarial (gain)/Loss recognised in the year	22.03	46.87
	Expenses recognised in statement of Profit & loss	33.49	55.66
	Note : The above report is not certification under AS 15 (Revised 2005) read with Actuaries Act 2006.		
	It is simply a report generated to help companies for proper accounting of employees liabilities.		

28: Restated Summary Statement of Finance Cost

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Interest expense:-		
Cash Credit	3.75	1.00
Short Term Overdrafts	29.85	61.40
Interest -Others	5.20	1.29
Interest-Govt. Loans	3.15	4.74
Interest - Car Loan	-	0.00
Total	**41.94**	**68.43**

29. Restated Summary Statement of Other expense

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Consumption of stores, loose tools and spare parts	254.48	207.93
Power and fuel	423.86	345.90
Rent	1.22	4.09
Repairs and maintenance	0.00	0.00
- buildings	30.32	38.44
- plant and machinery	38.92	98.24
- others	8.30	3.55
Rates and taxes, excluding, taxes on income	1.08	0.98
Water charges	7.23	7.37
Insurance	11.26	8.97
Postage, telephone	6.60	5.66
Travelling and conveyance	28.82	28.37
Directors sitting fees	0.66	0.45
Factory expenses	1.26	1.77
Advertisement	10.11	11.56
Legal and professional fees	0.09	0.14
Auditor's remuneration(As per details below)	0.43	0.43
Internal Audit Fee	0.44	0.39
Hire of cars	0.80	1.54
Library books	2.03	1.47
News paper and journals	0.29	0.29
Membership fees	0.48	0.47
Training expenses	7.47	4.30
Entertainment/courtesy expenses	0.27	0.63
Hostel/guest house expenses net of income	1.62	1.72
Business promotion expenses	14.52	11.27
Consultancy charges	5.68	2.65
Contract professionals expenses	8.76	8.32
Security guard charges	40.27	38.96
Administration expenses-Others	4.76	2.29
Exchange rate variance charged off	-	1.20
Liquidated damages imposed by customers	208.69	146.24
Sales schemes	145.67	9.20
Prior Period (-) income / (+) expenses(As per details below)	(11.36)	(47.55)
Increase/Decrease Excise duty on finished goods	(0.13)	(1.09)
Bank charges	8.55	9.20
Provision for non moving inventories	12.20	3.97
Provision for stock verification discrepancies	4.21	0.38
Provision for Contingencies & Warranty	2.36	11.60
Provision for Doubtful Debts	9.40	2.58
Bad debts written off	8.17	1.42
Fixed Assets written off	4.46	-
Printing and stationery	2.27	1.01
Sub-contractor expenses	375.49	502.27
CSR Expenses	19.17	11.41
Total	**1701.16**	**1489.95**

The Details of R&D Expenditure included in the natural head of accounts are as follows:

(₹ in Million)

Particulars	**For the Year Ended 31st Mar 2014**	**For the Year Ended 31st Mar 2013**
Consumption of materials	24.96	42.16
Offloading costs	0.00	0.00
Conversion costs	34.99	25.89
Other Expenditure	0.53	0.62
Total	**60.48**	**68.67**

Details of Prior Period Income / Expense

(₹ in Million)

Particulars	**For the year ended 31st March 2014**		**For the year ended 31 March 2013**	
	Debit	**Credit**	**Debit**	**Credit**
Consumption of Materials etc.,		0.00		2.63
Employee Expenses				2.09
Manufacturing Expenses				0.21
Other Administrative Expenses		12.73		2.55
Selling Expenses				41.29
Depreciation	1.37		0.52	
Other Income			27.97	
Interest Expenses				27.27
Total	**1.37**	**12.73**	**28.49**	**76.04**
Net Total		**11.36**		**47.55**

Remuneration and other payments to the auditor

(₹ in Million)

Particulars	**For the Year Ended 31st Mar 2014**	**For the Year Ended 31st Mar 2013**
Auditor		
(a) As Statutory Auditor	0.35	0.35
(b) For taxation matter	0.08	0.08
Total	**0.43**	**0.43**

30. Restated Summary Statement of Extraordinary items

(₹ in Million)

Particulars	For the Year Ended 31st Mar 2014	For the Year Ended 31st Mar 2013
Income		
Refund of Pension Contribution *	26.26	-
	26.26	-
Expenditure	-	-
	-	-
Net Income / (Expenditure)	**26.26**	-

* Company contributed 12% of Salary (Basic + DA) for all the eligible executives towards Pension Contribution to the Pension Trust upto 31.03.2013. As per the Guidelines of Ministry of Defence, Pension Contribution has to be restricted to a maximum of 10% of Salary (Basic + DA), thus, 2% of Salary (Basic + DA) towards the excess contributions refunded by the Pension Trust to the Company.

31. Notes forming part of Financial Statement

A. Basis of Preparation of Accounts

Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in and cash equivalents, the Company's operating cycle as twelve months for the purpose of current, non-current classification of assets and liabilities.

Midhani is a strategic industry with only one business segment and hence Segment Reporting as per AS-17 is not applicable.

No provision has been made in respect of Cess payable under Section 441A of the Companies Act 1956, since no notification has been issued by the Central Government in terms of Section 441A of the Companies Act 1956.

B. Notes to accounts

1) Based on the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India on revenue recognition from Despatches to Sub-contractors by the Company, the following (erstwhile Accounting Policy No.8) has been dispensed with from the financial year 2013-14 :

"Despatches to Sub-contractors :

In respect of the contracts for supply of items requiring long production cycle time which involve intermediary/final operations outside the company, income is recognized proportionately as under :

(a) Where prices are available for each stage of completion:-
- The price appropriate to the stage of completion.

(b) Where prices are not available for each stage of completion:-
- 90% as the case may be, of the final contract value for the item less estimated cost to be incurred for completing the item.

- Balance is recognized as income on completion / acceptance and dispatch of the item."

Pursuant to discontinuation of the above Accounting Policy from the financial year 2013-14 onwards, the revenue is recognized in terms of Accounting Policy No.7, Sales.

The impact of this change in Accounting Policy on the financial statements is primarily to reduce income from despatches to sub-contractors, account the same in work-in-progress inventory and related income arising on such transactions. The impact on each line item of the financial statements for the current year is shown in the table below:

PARTICULARS	IMPACT (₹ in Million)	IMPACT
Revenue from operations	302.81	Decreased
Profit before Tax	201.44	Decreased
Inventories (Work-in-progress)	101.36	Increased
Other Current Assets (Others-Dispatches with sub-contractors)	169.62	Decreased
Other Current Liabilities (Advances from customers)	133.19	Increased

In line with the SEBI ICDR regulation requirements, financial statements were restated giving effect of the above transactions.

2) Due to the modification of the Accounting Policy 2.6, Unserviceable fixed assets pending disposal are now shown under "Other Current Assets" as a separate line item, erstwhile it was shown under the Fixed Assets as Others (Unserviceable)

The impact of this change in Accounting Policy on the financial statements is primarily to change classification of unserviceable fixed assets from Fixed Assets to Other Current Assets. The impact on each line item of the financial statements for the current year is shown in the table below:

PARTICULARS	IMPACT (₹ in Million)	IMPACT
Gross Block	22.19	Decreased
Accumulated Depreciation	20.63	Decreased
Net Block	1.56	Decreased
Other Current Assets (Assets Held for Disposal)	1.56	Increased

3) The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

C. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Million)

Particulars	**As at 31st Mar 2014**	**As at 31st Mar 2013**
Contingent Liabilities		
Claims against the company not acknowledged as debt	1926.99	1135.93
Bank Guarantees	487.70	502.77
Letter of credit outstanding	797.58	682.64
Others	5.00	5.00
	3217.27	**2326.34**
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	789.87	1122.96
	789.87	**1122.96**
Total	**4007.13**	**3449.30**

Signatures to Notes 1 to 31

For and on behalf of the board of directors

Dr. D.K.Likhi	Sanjeev Singhal	Paul Antony
Chairman & Managing Director	Director (Finance)	Company Secretary

Place: Hyderabad
Date:06.02.2018

ANNEXURE-V A

Adjustment for Restatement of Profit and Loss

₹ in Million

S.No.	Particulars	Note	For the year ended 31st March 2014	For the year ended 31st March 2013
A	**Net Profit after taxation (as per audited accounts)**		824.63	825.18
B	**Material Adjustments**			
	Adjustment of revenue in respect of dispatches to sub-contractors	23	806.63	114.37
	Changes in Inventory due to change in accoutning policy of revenue recognition of dispatches made to sub-contractors	26	(611.47)	-
	Provision for Liquidated damages	29	(67.59)	-
C	**Material Adjustments related to tax**			
	Current Tax		22.97	-
D	**Net Profit after taxation as Restated**		975.17	939.55

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-VI A

Restated Statement of Accounting Ratios

₹ in Million (unless otherwise stated)

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Earning Per Share excluding extraordinary items and exceptional items (Equity Shares, Par Value of ₹ 10/- each)		
Basic (₹)	5.07	5.02
Diluted (₹)	5.07	5.02
Earning Per Share including extraordinary items and exceptional items (Equity Shares, Par Value of ₹ 10/- each)		
Basic (₹)	5.21	5.02
Diluted (₹)	5.21	5.02
Return on networth %	22.13%	24.26%
Net asset value per equity share (₹)	23.52	20.67
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	18,73,40,000	18,73,40,000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	18,73,40,000	18,73,40,000
Net profit after tax as restated	975.17	939.55
Share Capital	1,873.40	1,873.40
Reserves and Surplus as restated	2,533.32	1,999.09
Networth	4,406.72	3,872.49

1. The ratios on the basis of Restated financial information have been computed as below:

$$\text{Basic Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the}}$$

$$\text{Diluted Earnings per share (₹)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares outstanding}}$$

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

$$\text{Net Asset Value (NAV) per equity share (₹)} = \frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

2. Earning per share calculations are done in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-VII A

Restated Statement of Capitalisation

₹ in Million

Particulars	Pre-Offer for the year ended 31st March 2017	Adjusted for Post-Offer*
Debt	223.30	
Shareholder's funds		
- Share Capital	1,873.40	
- Other Eq;uity	5,170.04	
Total Shareholder's funds	7,043.44	
Debt / Equity Ratio	0.03	

* The Selling Shareholders are proposing to offer the equity shares of "Mishra Dhatu Nigam Limited" to the public by way of an initial public offering. Further, there will be no fresh issue of shares, hence, there will be no change in shareholders' funds post issue.

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

ANNEXURE-VIII A

Restated Statement of Tax Shelters

₹ in Million

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Profit before tax - As Restated **(A)**	1,341.92	1,292.13
National Tax Rate **(B)**	33.990%	32.445%
Tax as per National rate on Profit **(C)**	456.12	419.23
ADJUSTMENTS:		
Tax Impact of Permanent Differences due to:		
Income offerred during the earlier years	(75.26)	(37.11)
R&D expenditure	20.56	22.28
R & D weighted deductions	(52.26)	(51.54)
Fixed Assets Written off	1.52	-
MSME Interest	1.36	-
Other permanent differences	-	1.51
Earlier years liability discharged in the current year	(50.95)	-
Investment allowance	-	-
Donations	-	-
Interest 234 B & 234 C	-	-
Total Tax impact on Permanent Differences (D)	**(155.04)**	**(64.85)**
Tax Impact of Temporary Differences due to:		
Depreciation under Companies Act	20.52	16.74
Depreciation as per IT Act	(51.25)	(26.83)
Disallowances under Sec 43B	-	6.77
Provision for Doubtful Debts	3.19	0.84
Provision for non moving stores and spares	5.58	1.29
Provision for contingency & warranty	0.80	3.76
AMTL Leave Provision	-	-
Total Tax impact of Timing Difference (E)	**(21.16)**	**2.57**
Net Adjustment F = (D+E)	(176.20)	(62.28)
Adjusted Tax Liability (C+F)	**279.92**	**356.95**
Less: Relief u/s 91	-	-
Adjusted Tax Liability	**279.92**	**356.95**
Total Tax as per Return of Income	302.89	356.95

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Place: Hyderabad
Date: 06.02.2018

Paul Antony
Company Secretary

ANNEXURE-IXA

Restated Statement of Dividend Paid

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Number of equity shares outstanding	18,73,40,000	18,73,40,000
Proposed Diviend (₹ in Million)	334.68	334.68
Interim Dividend (₹ in Million)	40.00	40.00
Rate of Dividend (%)	20.00%	20.00%
Dividend per Equity Share (₹)	2.00	2.00

In terms of our report attached

for and on behalf of the Board of Directors

for BASHA & NARASIMHAN
Chartered Accountants
Firm's registration no. 6031 S

Dr. D.K.Likhi
Chairman & Managing Director

Shri K. Narasimha Sah
Partner
Membership No. 201777

Sanjeev Singhal
Director (Finance)

Paul Antony
Company Secretary

Place: Hyderabad
Date: 06.02.2018

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The financial statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from Ind As.

The following table summarizes certain of the areas in which differences between Indian GAAP and Ind As could be significant to our financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and Ind As. No attempt has been made to identify all recognition and measurement, disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our financial statements (or notes thereto). Certain principal differences between Indian GAAP and Ind As that may have a material effect on our financial statements are summarized below. Accordingly, no assurance can be provided to investors that our financial statements would not be materially different if prepared in accordance with Ind As.

Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind As and how those differences might affect the financial information disclosed in this Prospectus.

Sl. No	Ind AS	Particulars	Treatment as per Ind AS	Treatment as per Indian GAAP
1	Ind AS 20	Customer Funded Assets	As per the guidance of Appendix C of Ind AS 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind AS 16 in the books of accounts and depreciation is charged accordingly. Grant is considered as liability along with deferred income calculation until grant is discharged.	The Grant and Expenditure is being netted off.
2	Ind AS 37	Provision for Bad and Doubtful Assets	Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix method.	The Provision for Bad and doubtful debts is calculated by using fixed percentages defined as per accounting policy.
3	Ind AS 16	Capital Spares	Significant Capital Spares are capitalized along with the specific Gross Block of PPE and should be depreciated over the useful life or the remaining useful life of the respective PPE.	Spares received after capitalization of assets is charged off.
4	Ind AS 19	Gratuity	All actuarial gains/losses for the post-employment defined benefit plans and other long term employee benefit plans are recognized immediately in other comprehensive income.	All actuarial gains/losses are recognized in the statement of profit and loss as expense/loss.
5	Ind AS 10	Dividend	Payment concept - Dividends proposed or declared after the balance sheet date but before the financial statements cannot be recognized as a liability at the balance sheet date and such dividend is required to be disclosed in the notes in the financial statements.	Proposed Dividend concept- The dividend proposed or declared after balance sheet date but before approval of the financial statements will have to be recorded as liability.
6	Ind AS 12	Deferred Income Tax	Deferred Taxes are computed for temporary difference between the carrying amount of an asset or liability in the statement of financial position and its tax base	Deferred Taxes are computed for timing differences in respect of recognition of profit or loss for the purposes of financial reporting and for income taxes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements beginning on page 141 of this Prospectus, prepared in accordance with the Companies Act, Ind As, Indian GAAP and the SEBI ICDR Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "Financial Statements" beginning on page 141. Unless otherwise stated, financial information used in this section is derived from the Restated Financial Statements.

Ind As differs in certain material respects from US GAAP and IFRS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide a reconciliation of our financial statements to US GAAP or IFRS. Accordingly, the degree to which the Restated Financial Statements included in this Prospectus will provide meaningful is entirely dependent on the reader's level of familiarity with Indian accounting practices presently applicable to the Company.

This discussion contains certain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 16 and 17, respectively.

In this section, unless the context otherwise requires, a reference to "we", "us" "our" or "the Company" is a reference to our Company.

Overview

We are one of the leading manufacturers of special steels, Superalloys and only manufacturer of titanium alloys in India. These are high value products which cater to niche end user segments such as defence, space and power. Our Company was established in the year 1973, with an aim of achieving self-reliance in the research, development and supply of critical alloys and products of national security and strategic importance. We have emerged as a 'National Centre for Excellence' in advanced metallurgical production of special metals and Superalloys in India. We have the technological ability to manufacture a wide range of advanced metals and alloys under one roof. With the growth of our business and operations, we have achieved the status of a Mini Ratna, Category-I company in 2009.

We are one of the few metallurgical plants of its kind in the world, designed to manufacture a wide range of special metals and alloys using integrated and highly flexible manufacturing systems. Our Company manufactures unique combinations of metal and alloys. These special alloys have superior mechanical properties and better workability which are essential for special applications in aerospace, power generation, nuclear, defence and other general engineering industries. Our products are key ingredients for strategic sectors in India, which typically cannot be imported from other countries due to its national security related concerns.

We manufacture special steels like martensitic steel, ultra-high strength steel, austenitic steel and precipitation hardening steel. We manufacture three varieties of Superalloys – nickel base, iron base and cobalt base. We also manufacture varieties of titanium alloys. Most of the orders executed by our Company are in the nature of an import substitute. We have the competence of developing and manufacturing customised alloys tailor-made to suit the specific requirements of customers for their critical applications. Presently, we conduct our operations at our manufacturing facility in Hyderabad. We are in the process of setting up two new manufacturing facilities in Rohtak and Nellore. We have several certifications including the ISO 9001:2008 – Quality Management System and AS 9100 C for manufacturing and supply of metals and alloy products. We have our research and development laboratory which is accredited to National Accreditation Board for Testing and Calibration Laboratories.

With the constant developments made over the years in various operational areas, by utilizing in-house research and development capabilities, our Company indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials. Our Company has been handling challenging developmental tasks, taking a lead position in indigenisation of critical technologies and products to render support to several programmes of national importance.

We have highly qualified and experienced management. Our Chairman and Managing Director is highly experienced in the field of metallurgy with an experience of over 35 years. For further details, see *"Our Management"* on page 119 of this Prospectus. He received the National Metallurgist Award, 2016 in recognition of his outstanding leadership foresightedness and contributions to the growth of steel industry. For further details of awards we have received, see "*History and Certain Corporate Matters – Awards and Recognition*" on page 115.

Our Company has continuously posted profits in the last five Fiscals. On a restated basis, our total revenues grew at a CAGR of 9.23% from ₹ 5,851.89 million for Fiscal 2013 to ₹ 8,330.90 million for Fiscal 2017 and our PAT grew at a CAGR of

7.68% from ₹ 939.55 million for Fiscal 2013 to ₹ 1,263.13 million for Fiscal 2017. Our Company has earned a PAT of ₹ 273.01 million on a total revenue of ₹ 2,206.61 million for the six months period ended September 30, 2017.

Significant Factors Affecting Our Results of Operations and Financial Condition

We believe that the following factors have significantly affected our results of operations and financial condition during the period under review, and may continue to affect our results of operations and financial condition in the future.

Domestic and global demand for our products

Most of our revenue is derived from work performed under contracts with public sector enterprises. While we believe that our programmes are well aligned with India's national defence and other priorities, shifts in domestic spending and tax policy, changes in security levels, defence, and intelligence priorities, general economic conditions and developments, and other factors may affect a decision to fund, or the amount of funding available to, existing or proposed defence programmes.

We expect to see significant investment in the Indian aerospace and defence sectors in the next few years, along with other new customer segments such as automotive components, oil & gas industry and the chemical industry. In the defence space, India is expected to emerge as the third-biggest country in terms of defence-related expenditure from its current (eighth) position by 2020 especially through IDDM (Indigenously Designed, Developed and Manufactured) Make in India initiative to encourage domestic manufacturers to produce high value speciality steel and superalloy grades and supply them to defence and aerospace.

Accordingly, our ability to be at the forefront of specialised alloy manufacturing and supply to these industries in India will determine our continued growth and results of operations in the future.

Our future growth also depends on penetrating new international markets as well as remaining as a key supplier to strategic sectors, adapting existing products to new applications, and introducing new products that achieve market acceptance.

Capacity limitations

Our production capacity is limited by, among other things, the size of our existing production facility and the capacity of our manufacturing equipment at this facility. If we are unable to progress with our plans to increase efficiencies and establish new manufacturing facilities at other locations, our ability to expand our business operations and cater to new customer segments may be limited.

Accordingly, our ability to successfully increase our manufacturing capacity through increased efficiency at our existing facility, as well as by setting up new production facilities at different locations and achieving corresponding economies of scale, will determine our future growth.

Strength of our order book

Our results of operations are affected by the strength of our order book. As of January 31, 2018, we have an order book position of ₹ 5,170 million comprising of ₹ 2,830 million for defence, ₹ 1,680 million for space and ₹ 660 million for other sectors. We cannot assure you that we will be able to deliver all of our existing orders on schedule and that the order book will materialize into our revenue. Investors should not consider our order book as an accurate indicator of our future performance or future revenue.The successful conversion of these orders into revenue and getting new orders will depend on the demand from our customers, which is beyond our control and is subject to uncertainty as well as changes in Government policies and priorities. Going forward, our order book may be affected by delays, cancellations, renegotiations of the contracts as well as the long gestation period in concluding such contracts, if any.

Cost and availability of skilled manpower

We require the application of high levels of technology at key stages of our design, engineering and manufacturing processes. We have therefore been focussed on the recruitment, training and retention of a highly skilled employee base. As of January 31, 2018, we had 852 employees. Our enterprise resource planning and IT enabled systems (procurement, human resources and standalone IT enabled systems) have helped us to develop and adopt new technologies, maintain high productivity and ensure path dependent learning.

We believe that our Company's growth and work environment combined with high employee satisfaction rate has allowed us to attract talent on a large scale. In addition, the presence of varied profiles available in our organisation coupled with high growth potential facilitates higher retention of employees.

Labour shortages could increase our production cost and hinder our productivity and ability to meet customers' delivery schedules, any or all of which may have an adverse impact on our results of operations.

Raw material costs

The primary raw materials used by our Company for manufacturing our products are: (a) nickel metal to various specifications; (b) cobalt metal to various specifications; (c) various master alloys; (d) pure iron; (e) titanium sponge of various grades; (f) chromium metal to various specifications; (g) mild steel scrap/stainless steel scrap; (h) high carbon/low carbon ferro chrome; (i) aluminium metal in various forms; (j) manganese metals; and (k) different ferroalloys.

There is limited availability and supply of raw materials such as nickel and cobalt which are used by our Company for manufacturing products. Shortage in supply of the raw materials we use in our business may result in an increase in the price of the products. In past, the prices of nickel and cobalt have fluctuated drastically with the change in their global supply and demand, which has impacted our cost of procurement of these raw materials. In the event that the price of our raw materials further increase, we may not be able to pass the price increase to our customers on our existing fixed contracts and our business, financial condition and results of operations may be adversely affected.

Our cost of materials consumed constituted 21.25%, 23.94%, 32.16% and 32.33% and our other expenses constituted 45.86%, 25.59%, 25.19% and 29.64% of our revenue from operations for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015, respectively.

Changes in technology

Our business requires us to keep abreast with the latest developments in related fields of science and technology. To be at par with the global technological progress, we place strong emphasis on technology of products, technology of process and technology of equipment. Our in-house research and development team works towards improvement of product quality and processes innovation. We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes. We outsource technological knowledge from various countries. We have a dedicated technology advisory board which guides us to the required technology for the development of new products. We believe that we have developed strong product design capabilities, which allows us to service our customers more effectively and in a timely manner.

If our products become obsolete, and we are unable to effectively introduce new products, our business and results of operations could be adversely affected. Although we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies, upgrading our manufacturing facilities and retaining our research staff could be significant and could adversely affect our profitability.

Our future success will depend substantially on our ability to anticipate and respond to new technologies or changes in customer preferences and specifications, especially in the context of new customer segments that we plan to expand into.

Significant Accounting Policies

Our critical accounting estimates are those that we believe are the most important to the portrayal of our financial condition and results of operations and that require our management's most difficult, subjective or complex judgments. In many cases, the accounting treatment of a particular transaction is specifically dedicated by applicable accounting policies with no need for the application of our judgment. In certain circumstances, however, the preparation of financial statements in conformity with applicable accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. We base our estimates on historical experience and on various other assumptions that our management believes are reasonable under the circumstances. However, critical accounting estimates are reflective of significant judgments and uncertainties and are sufficiently sensitive to result in materially different results under different assumptions and conditions. We believe that our critical accounting estimates are those described below.

Basis of preparation

Statement of compliance

(a) The accompanying interim condensed financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

(b) The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101-First time Adoption of Indian Accounting Standards, with April 1 2015 as the transition date.

(c) The transition was carried out from Generally Accepted Accounting Principles in India (IGAAP), the mandatory Accounting Standards [as notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014 (IGAAP)], which was the previous GAAP. An explanation of how the transition to Ind-AS has affected the reported balance sheet, statement of profit and loss and cash flows of the Company is provided in note on first time adoption.

(d) The interim condensed financial statements have been prepared solely for the purpose of use in connection with the information required to be published in the prospectus for the proposed initial public offer of the Company. The Company is preparing the interim condensed financial statements for the first time and hence comparative figures for interim condensed statement of profit and loss for the six months ended September 30, 2016 and the interim condensed cash flow statement for the year ended March 31, 2017 have not been disclosed.

Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

Use of estimates and judgment

The preparation of financial statements in conformity with Ind As require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Sales revenue is measured at fair value net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contact, revenue is recognized when the goods are handed over to the carrier/agent for despatch to the buyer and wherever customer's prior inspection is stipulated, revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of despatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion at the reporting date.

Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.

Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. The Company has Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme under this category.

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

The Company has Gratuity and contribution towards Provident Fund under this category.

Compensated absence

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

Other employee benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as levelling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

(a) It is probable that future economic benefits associated with the item will flow to the Company and;

(b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

Customer funded assets: As per the guidance of Appendix C of Ind As 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind As 16 in the books of accounts and depreciation is charged accordingly.

As per para 8 of Ind As 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind As when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed ₹ 5000, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind As, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Inventories

Inventories are valued on the following basis:

a) Raw materials, consumables, spares and Tools and Instruments in Central Stores:

At weighted average cost

b) Raw materials in Shop floor/ Sub-stores in the shops:

At weighted average rate of Central Stores, at the end of the year

c) Consumables in Shop floor/Sub-stores:

All consumables drawn from the Central Stores are charged off to expense. Only in respect of ‘A’ and ‘B’ class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

d) Re-usable process scrap, process rejections and sales rejections with customers for return:

At estimated realizable value for scrap.

e) Tools and Gauges:

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

f) Work-in-process:

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the work-in-process of five years old and above is valued at the realizable scrap rate.

g) Finished Goods:

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of five years old and above is valued at the realizable scrap rate.

Value of Finished Goods is inclusive of Excise Duty.

h) Goods in transit are valued at cost.

i) Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

j) Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

k) Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. 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 liability simultaneously.

Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Financial instruments

Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company has the following financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Segment reporting

Operating segments are identified in a mariner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of Superalloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company has only domestic turnover. Therefore, there is no other reportable segment.

Claims by/against the Company

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are charged off on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous five years.

Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind As 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

Physical verification of fixed assets and inventories

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in three years. All other Fixed Assets are verified once in the Financial Year.

Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

Cash Flow Statement

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind As 7- Statement of Cash Flows.

Principal Components of Income and Expenditure

Income

Revenue from operations

Revenue from operations comprises income from manufacturing and supply of our products. Revenue from operations accounted for 94.29%, 97.19%, 96.33% and 96.66% of our total income for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015, respectively.

Other income

Other income primarily includes interest income from banks and others. Other income accounted for 5.71%, 2.81%, 3.67% and 3.34% of our total income for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015, respectively.

Expenditure

Our expenditure includes (i) cost of materials consumed; (ii) excise duty; (iii) changes in inventories of finished goods, work in progress and stock in trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortisation expenses; and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed represents the cost of the raw materials consumed in our manufacturing operations. Our cost of materials consumed constituted 21.25%, 23.94%, 32.16% and 32.33% of our revenue from operations for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015 respectively.

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 represent the difference between the opening and closing stock of finished goods and work in progress relating to our manufacturing business.

Employee benefit expenses

Employee benefit expenses include salaries and wages, contribution to provident and other statutory funds, and staff welfare expenses relating to our employees. Employee benefit expenses constituted 23.65%, 13.50%, 11.92% and 15.08% of our revenue from operations for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015 respectively.

Finance costs

Finance costs primarily comprise interest expenses in relation to our outstanding indebtedness.

Depreciation and amortisation

Depreciation and amortisation comprises depreciation of tangible assets, including our building, plants and machinery, furniture, office equipment and vehicles.

Other expenses

Other expenses primarily comprise of power and fuel expenses, sub-contractor expenses and consumption of stores, loose tools and spare parts. Other expenses constituted 45.86%, 25.59%, 25.19% and 29.64% of our revenue from operations for the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015 respectively.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particular	Six month period ended September 30, 2017		Fiscal					
			2017		2016		2015	
	(₹ In million)	Percentage of total income	(₹ In million)	Percentage of total income	(₹ In million)	Percentage of total income	(₹ In million)	Percentage of total income
Income								
Revenue from Operations	2,080.63	94.29	8,097.07	97.19	7,614.49	96.33	6,557.01	96.66
Other income	125.98	5.71	233.83	2.81	289.99	3.67	226.86	3.34
Total Income	**2,206.61**	**100.00**	**8,330.90**	**100.00**	**7,904.48**	**100.00**	**6,783.87**	**100.00**
Expenses								
Cost of materials consumed	442.20	20.04	1,938.28	23.27	2,449.05	30.98	2,119.56	31.24
Excise duty	43.69	1.98	364.26	4.37	449.46	5.69	83.25	1.23
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(303.88)	(13.77)	776.41	9.32	379.66	4.80	73.31	1.08
Employee benefits expense	492.11	22.30	1,092.85	13.12	907.35	11.48	988.52	14.57
Finance costs	15.16	0.69	46.76	0.56	41.86	0.53	70.43	1.04
Depreciation and amortisation expense	93.67	4.24	176.64	2.12	140.65	1.78	97.87	1.44
Other expenses	954.16	43.24	2,072.17	24.87	1,918.00	24.26	1,943.46	28.65
Total Expenses	**1,737.11**	**78.72**	**6,467.37**	**77.63**	**6,286.03**	**79.52**	**5,376.39**	**79.25**
Profit/(Loss) before exceptional items and tax	469.50	21.28	1,863.53	22.37	1,618.45	20.48	1,407.48	20.75
Exceptional items	-		-		-		-	
Profit/(Loss) before tax	**469.50**	**21.28**	**1,863.53**	**22.37**	**1,618.45**	**20.48**	**1,407.48**	**20.75**
Tax expense								
Current tax	157.01	7.12	620.63	7.45	380.80	4.82	304.86	4.49
Earlier year tax	-	-	1.84	0.02	(13.39)	(0.17)	3.18	0.05
MAT credit entitlement	-	-	-	-	(21.66)	(0.27)	(20.04)	(0.30)
Deferred tax	39.48	1.79	(22.07)	(0.26)	79.00	1.00	83.23	1.23
Profit/(Loss) for the period	**273.01**	**12.37**	**1,263.13**	**15.16**	**1,193.70**	**15.10**	**1,036.25**	**15.28**
Other comprehensive income								
A (i) Items that will not be reclassified to profit or loss	27.34	1.24	14.97	0.18	8.00	0.10	24.41	0.36
(ii) Income tax relating to items that will not be reclassified to profit or loss	(9.46)	(0.43)	(5.18)	(0.06)	(2.77)	(0.03)	(8.45)	(0.12)
B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
Other comprehensive income for the year net of tax	17.88	0.81	9.79	0.12	5.23	0.07	15.96	0.24
Total comprehensive income for the period	**290.89**	**13.18**	**1,272.92**	**15.28**	**1,198.93**	**15.17**	**1,052.21**	**15.51**

Six month period ended September 30, 2017

Income

Our total income amounted to ₹ 2,206.61 million in the six month period ended September 30, 2017, consisting primarily of revenues from the defence sector and the space sector during this period.

Revenue from operations

Our revenue from operations amounted to ₹ 2,080.63 million in the six month period ended September 30, 2017, with sales of our manufactured products amounting to ₹ 2,039.23 million primarily arising from sales to the defence and space sectors during this period. Our operations were adversely affected by delays in supplies from external sources, including receipt of outsourced production back from our sub-contractors, as well as reversal of sales of approximately ₹ 440.00 million that was dispatched but did not reach our customer prior to September 30, 2017 and which was therefore reversed in accordance with the applicable accounting standard.

Other income

Our other income amounted to ₹ 125.98 million in the six month period ended September 30, 2017, primarily attributable to interest income from banks accruing during this period.

Expenses

Cost of materials consumed

Our cost of materials consumed amounted to ₹ 442.20 million in the six month period ended September 30, 2017, constituting 21.25% of our revenue from operations during this period and in line with our production.

Excise duty

Our excise duty amounted to ₹ 43.69 million in the six month period ended September 30, 2017, in line with our production during this period.

Changes in inventories of finished goods, work in progress and stock in trade

Our changes in inventories of finished goods, work in progress and stock in trade amounted to an increase in work in progress and finished stock of ₹ 303.88 million in the six month period ended September 30, 2017, primarily due to the decline in sales during this period, as well as reversal of sales of approximately ₹ 440.00 million that was dispatched but did not reach our customer prior to September 30, 2017 and which was therefore reversed in accordance with the applicable accounting standard.

Employee benefits expense

Our employee benefits expense amounted to ₹ 492.11 million in the six month period ended September 30, 2017, with salaries and wages amounting to ₹ 386.75 million during this period.

Finance costs

Our finance costs amounted to ₹ 15.16 million in the six month period ended September 30, 2017.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses amounted to ₹ 93.67 million in the six month period ended September 30, 2017, primarily arising from depreciation on tangible assets, including plant, building and machinery, furniture, office equipment and vehicles during this period.

Other expenses

Our other expenses amounted to ₹ 954.16 million in the six month period ended September 30, 2017, primarily due to:

- power and fuels cost arising from power consumption in relation to our operations;
- repairs and maintenance costs incurred during this period in relation to renovation and maintenance of existing building and plant; and
- sub-contractor expenses as we outsourced a portion of our operations during this period.

Net tax expense

Our net tax expense amounted to ₹ 205.95 million in the six month period ended September 30, 2017, in line with our income during this period.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the six month period ended September 30, 2017 amounted to ₹ 290.89 million.

Fiscal 2017 compared to Fiscal 2016

Income

Our total income increased by ₹ 426.42 million, or 5.39%, to ₹ 8,330.90 million in Fiscal 2017 from ₹ 7,904.48 million in Fiscal 2016, primarily due to an increase in our revenues from operations primarily arising out of revenues from the space sector.

Revenue from operations

Our revenue from operations increased by ₹ 482.58 million, or 6.34%, to ₹ 8,097.07 million in Fiscal 2017 from ₹ 7,614.49 million in Fiscal 2016, primarily due to an increase in sales of our products during this period, primarily arising out of increased demand for our products from the space sector.

Other income

Our other income decreased by ₹ 56.16 million, or 19.37%, to ₹ 233.83 million in Fiscal 2017 from ₹ 289.99 million in Fiscal 2016, primarily due to excess liabilities written back during Fiscal 2016 pertaining to a DAE price variation claim which did not recur in Fiscal 2017. This was partially offset by an increase in interest income from banks during Fiscal 2017 compared to Fiscal 2016.

Expenses

Cost of materials consumed

Our cost of materials consumed decreased significantly by ₹ 510.77 million, or 20.86%, to ₹ 1,938.28 million in Fiscal 2017 from ₹ 2,449.05 million in Fiscal 2016, primarily due to a focus on production of low alloy steel during this period in line with our customers' requirements, which requires lower value raw material, as well as greater use of opening work-in-progress during this period.

Excise duty

Our excise duty decreased by ₹ 85.20 million, or 18.96%, to ₹ 364.26 million in Fiscal 2017 from ₹ 449.46 million in Fiscal 2016, primarily due to a significant increase in availment of CENVAT credit on capital goods during this period.

Changes in inventories of finished goods, work in progress and stock in trade

Our changes in inventories of finished goods, work in progress and stock in trade amounted to ₹ 776.41 million in Fiscal 2017, compared to ₹ 379.66 million in Fiscal 2016, primarily due to greater despatches of products from our opening work-in-progress during this period, resulting in a corresponding decrease in our inventories.

Employee benefits expense

Our employee benefits expense increased by ₹ 185.50 million, or 20.44%, to ₹ 1,092.85 million in Fiscal 2017 from ₹ 907.35 million in Fiscal 2016, primarily due to separation of actuarial gain on gratuity fund to other comprehensive income and also due to provisions created for pay revision benefits for three months (January 2017 to March 2017) and increase in gratuity ceiling from ₹ 1 million to ₹ 2 million per employee.

Finance costs

Our finance costs increased marginally by ₹ 4.90million, or 11.71%, to ₹ 46.76 million in Fiscal 2017 from ₹ 41.86 million in Fiscal 2016, primarily due to an increase in interest on short term overdrafts and towards amortised interest cost calculated as per Ind-AS requirements for certain loans during this period.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by ₹ 35.99 million, or 25.59%, to ₹ 176.64 million in Fiscal 2017 from ₹ 140.65 million in Fiscal 2016, primarily due to capitalization of customer funded assets during this period as per applicable accounting standards and depreciation charged thereon.

Other expenses

Our other expenses increased by ₹ 154.17 million, or 8.04%, to ₹ 2,072.17 million in Fiscal 2017 from ₹ 1,918.00 million in Fiscal 2016, primarily due to:

- increases in power and fuels cost arising from increased power consumption as well an increase in per unit price during this period;
- increase in repairs and maintenance costs incurred during this period in relation to renovation and maintenance of existing building and plant;
- sub-contractor expenses as we outsourced a portion of our operations during this period; and
- increase in offloading expenses due to increase in offloading activities during this period in line with the Company's delivery plan.

Net tax expense

Our net tax expense increased by ₹ 178.06 million, or 41.65%, to ₹ 605.58 million in Fiscal 2017 from ₹ 427.52 million in Fiscal 2016, primarily due to the following changes during this period:

- decrease in R&D weighted deduction;
- decrease in income tax depreciation;
- increase in profit before tax; and
- increase in provisions of doubtful debt and contingencies and warranties.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the year increased by ₹ 73.99 million, or 6.17%, to ₹ 1,272.92 million in Fiscal 2017 from ₹ 1,198.93 million in Fiscal 2016.

Fiscal 2016 compared to Fiscal 2015

Income

Our total revenue increased by ₹ 1,120.61 million, or 16.52%, to ₹ 7,904.48 million in Fiscal 2016 from ₹ 6,783.87 million in Fiscal 2015, primarily due to increase in our revenues from operations arising out of revenues from the defence sector and increase in other income due to excess liabilities written back during Fiscal 2016.

Revenue from operations

Our revenue from operations increased by ₹ 1,057.48 million, or 16.13%, to ₹ 7,614.49 million in Fiscal 2016 from ₹ 6,557.01 million in Fiscal 2015, primarily due to increase in our revenues from operations arising out of increased demand for our products from the defence sector.

Other income

Our other income increased by ₹ 63.13 million, or 27.83%, to ₹ 289.99 million in Fiscal 2016 from ₹ 226.86 million in Fiscal 2015, primarily due to an increase in excess liabilities written back during Fiscal 2016 pertaining to a DAE price variation claim, which was settled during Fiscal 2016 at a lesser value than the corresponding provision made in relation to this claim during prior periods.

Expenses

Cost of materials consumed

Our cost of materials consumed increased by ₹ 329.49 million, or 15.55%, to ₹ 2,449.05 million in Fiscal 2016 from ₹ 2,119.56 million in Fiscal 2015, corresponding to the growth in our businessduring this period.

Excise duty

Our excise duty increased significantly by ₹ 366.21 million, or 439.89%, to ₹ 449.46 million in Fiscal 2016 from ₹ 83.25 million in Fiscal 2015, mainly due to withdrawal of exemption notification for defence products, resulting in goods being cleared by paying excise duty during this period.

Changes in inventories of finished goods, work in progress and stock in trade

Our changes in inventories of finished goods, work in progress and stock in trade amounted to ₹ 379.66 million in Fiscal 2016, compared to ₹ 73.31 million in Fiscal 2015, primarily on account of greater despatches of products from our opening work-in-progress during this period, resulting in a corresponding decrease in our inventories.

Employee benefit expenses

Our employee benefit expenses decreased by ₹ 81.17 million, or 8.21%, to ₹ 907.35 million in Fiscal 2016 from ₹ 988.52 million in Fiscal 2015, primarily due to a decline in employee headcount during this period arising from superannuation as well as a decrease in staff welfare expenditure, which were partially offset by annual increments and allowances.

Finance costs

Our finance costs decreased by ₹ 28.57 million, or 40.57%, to ₹ 41.86 million in Fiscal 2016 from ₹ 70.43 million in Fiscal 2015, primarily due to a decrease in our short term overdrafts during this period, partially offset by an increase in interest on term loans.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by ₹ 42.78 million, or 43.71%, to ₹ 140.65 million in Fiscal 2016 from ₹ 97.87 million in Fiscal 2015, primarily due to addition of assets during Fiscal 2015, the full year impact of which was reflected in our financial statements in Fiscal 2016.

Other expenses

Our other expenses decreased marginally by ₹ 25.46 million, or 1.31%, to ₹ 1,918.00 million in Fiscal 2016 from ₹ 1,943.46 million in Fiscal 2015, primarily due to decreases in liquidated damages on sales and expenses related to sales schemes during this period, which were partially offset by increases in sub-contractor expenses, contribution to R&D projects, security guard charges, repairs and maintenance expenses and consumption of consumables and spares in Fiscal 2016 compared to Fiscal 2015.

Net tax expense

Our net tax expense increased by ₹ 47.84 million, or 12.60%, to ₹ 427.52 million in Fiscal 2016 from ₹ 379.68 million in Fiscal 2015, primarily arising from an increase in current tax liability in Fiscal 2016 compared to Fiscal 2015 corresponding to our increased profitability during Fiscal 2016.

Total comprehensive income for the period

As a result of the foregoing, our total comprehensive income for the year increased by ₹ 146.72 million, or 13.94%, to ₹ 1,198.93 million in Fiscal 2016 from ₹ 1,052.21million in Fiscal 2015.

Liquidity and Capital Resources

Historically, we have maintained liquidity for our business operations primarily from the cash generated from operations and bank borrowings. As of September 30, 2017, we had cash and cash equivalents available to for use in our operations of ₹ 2,605.25 million. Based on our current level of expenditures, we believe that our current working capital, together with cash flows from operating activities, will be adequate to meet our anticipated cash requirements for capital expenditure and working capital for the next 12 months.

Cash flows

(*₹ In million*)

Particulars	Six month period ended September 30, 2017	Fiscal		
		2017	2016	2015
Net cash from operating activities	474.37	1,189.42	2,159.00	471.36
Net cash used in investing activities	(1,299.48)	(648.50)	(1,066.72)	(94.93)
Net cash from/(used in) financing activities	502.24	(425.23)	(902.68)	(428.88)
Net increase/(Decrease) in cash and cash equivalents	(322.87)	115.69	189.60	(52.45)

Operating Activities

Net cash generated from operating activities was ₹ 474.37 million in the six month period ended September 30, 2017, primarily consisting of cash flow from operating activities of ₹ 512.95 million before working capital changes. The working capital adjustments primarily consisted of (i) increase in inventories of ₹ 447.53 million arising mainly from increase in work-in-progress and finished goods, coupled with an increase in raw material stocks arising from lower production during this period, and (ii) increase in other current assets of ₹ 349.77 million corresponding mainly to an advance provided to suppliers during this period against which goods are yet to be received; which were partially offset by (a) decrease in trade receivables and loans of ₹ 662.72 million, arising primarily from recovery of past dues as well as a decline in sales during this period; (b) increase in trade payables of ₹ 244.05 million arising primarily from increase in purchases as inventory of raw material increased during this period; and (c) increase in other financial liabilities of ₹ 297.43 million arising primarily from grants received for customer funded projects.

Net cash generated from operating activities was ₹ 1,189.42 million in Fiscal Year 2017, primarily consisting of cash flow from operating activities of ₹ 1,929.46 million before working capital changes. The working capital adjustments primarily consisted of (i) increase in trade receivables and loans of ₹ 794.73 million arising mainly from a high volume of sales during the last month of Fiscal 2017; (ii) decrease in other current liabilities of ₹ 611.48 million, and (iii) decrease in non-current liabilities of ₹ 385.70 million corresponding mainly to a decrease in advances from our customers; which were partially offset by (a) decrease in inventories of ₹ 825.03 million; and (b) decrease in other current assets of ₹ 655.91 million arising primarily from treatment under the applicable accounting standards.

Net cash generated from operating activities was ₹ 2,159.00 million in Fiscal Year 2016, primarily consisting of cash flow from operating activities of ₹ 1,700.79 million before working capital changes. The working capital adjustments primarily consisted of (i) decrease in inventories of ₹ 1,344.70 million; and (ii) decrease in other current assets of ₹ 263.66 million mainly due to utilization of CENVAT credit during this period coupled with a decrease in customer advances, which were partially offset by (a) decrease in other current liabilities of ₹ 489.12 million; (b) decrease in trade payables of ₹ 422.21 million; and (c) decrease in other financial liabilities of ₹ 272.96 million arising from settlement of employee liabilities and other capital creditors.

Net cash generated from operating activities was ₹ 471.36 million in Fiscal Year 2015, primarily consisting of cash flow from operating activities of ₹ 1,493.73 million before working capital changes. The working capital adjustments primarily consisted of (i) decrease in non-current liabilities of ₹ 1,162.16 million; (ii) decrease in other current liabilities of ₹ 965.69 million, mainly arising from decreases in customer advances during this period; and (iii) increase in other current assets of ₹ 358.95 million arising primarily from treatment under the applicable accounting standards, which were partially offset by (a) decrease in trade receivables and loans of ₹ 1,313.32 million corresponding to an improvement in our collections during this period; and (b) decrease in inventories of ₹ 297.72 million.

Investing Activities

Net cash used in investing activities was ₹ 1,299.48 million in the six month period ended September 30, 2017, primarily due to acquisition of property, plant and equipment of ₹ 543.33 million, and investment in fixed deposits amounting to ₹ 848.87 million arising primarily from investment of surplus money received from customers during this period.

Net cash used in investing activities was ₹ 648.50 million in Fiscal Year 2017, primarily due to acquisition of property, plant and equipment of ₹ 815.99 million relating to customer funded assets, which was partially offset by interest received of ₹ 172.68 million arising from Investment of surplus funds.

Net cash used in investing activities was ₹ 1,066.72 million in Fiscal Year 2016, primarily due to investment in fixed deposits of ₹ 874.98 million and acquisition of property, plant and equipment of ₹ 299.91 million arising from customer funded assets, which was partially offset by interest received of ₹ 108.15 million arising primarily from investment of surplus funds.

Net cash utilised in investing activities was ₹ 94.93 million in Fiscal Year 2015, primarily due to acquisition of property, plant and equipment of ₹ 311.39 million, which was partially offset by maturity of investment in fixed deposit of ₹ 110.00 million, and interest received of ₹ 105.82 million arising primarily from investment of surplus funds.

Financing Activities

Net cash from financing activities was ₹ 502.24 million in the six month period ended September 30, 2017, primarily due to increase in short term borrowings amounting to ₹ 517.40 million during this period, incurred to meet planned production expenses and payment to suppliers.

Net cash used in financing activities was ₹ 425.23 million in Fiscal Year 2017, primarily due to dividend on shares of ₹ 426.18 million, which was partially offset by an increase in borrowings of ₹ 47.71 million.

Net cash used in financing activities was ₹ 902.68 million in Fiscal Year 2016, primarily due to repayment of borrowings of ₹ 458.01 million, relating to repayment of short term overdrafts and a term loan from State Bank of India, and dividend on shares of ₹ 402.81 million.

Net cash used in financing activities was ₹ 428.88 million in Fiscal Year 2015, primarily due to payment of dividend on shares of ₹ 446.36million, which was partially offset by an increase in borrowings of ₹ 87.91million.

Historical and Planned Capital Expenditure

We need to make investments in our fixed assets on a regular basis. For the six month period ended September 30, 2017 and Fiscals 2017, 2016 and 2015, we purchased tangible fixed assets of ₹ 63.35 million, ₹ 821.21 million, ₹ 329.52 million and

₹ 1,399.78 million, respectively, primarily consisting of plant and machinery and other fixed assets such as computers, furniture and fixtures and office equipment.

Indebtedness

As of March 31, 2017, we had non-current borrowings of ₹ 17.84 million, attributable to the VSSC loan of ₹ 17.84 million, and current borrowings of ₹ 205.46 million, consisting of SBI term loan ₹ 74.95 million, VSSC Loan of ₹ 5 million, SBI cash credit facility of ₹ 0.95 million and SOD of ₹ 124.56 million.

As of September 30, 2017, we had non-current borrowings of ₹ 17.84 million, attributable to VSSC loan of ₹ 17.84 million, and current borrowings of ₹ 646.99 million, consisting of cash credit facility of ₹ 38.59 million and SOD of ₹ 608.40 million.

Trade receivables

Trade receivables represent receivables from our customers. Our general credit terms provide for payment with 30 days from the date of receipt. We typically receive payments within 30-90 days.

Our trade receivables amounted to ₹ 2,222.58 million as of September 30, 2017, compared to ₹ 2,885.30 million as of March 31, 2017 and ₹ 2,090.54 million as of March 31, 2016. The decrease as of September 30, 2017 was primarily due to the decrease in our sales during the six month period ended September 30, 2017

Trade payables

Depending on the products, we typically obtain credit terms of around 30 days from our suppliers.

Our trade payables primarily comprise of dues to micro, small and medium enterprises, as well as dues of other creditors. Our trade payables amounted to ₹ 904.36 million as of September 30, 2017, compared to ₹ 660.31 million as of March 31, 2017 and ₹ 529.51 million as of March 31, 2016. The increase as of September 30, 2017 was primarily due to the increase in purchases of raw materials during the six month period ended September 30, 2017.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual obligations and commitments of the Company as of March 31, 2017, aggregated by the type of contractual obligation.

(*₹ In million*)

Particulars	As at September 30, 2017	As at March 31,		
		2017	2016	2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	773.92	415.04	138.42	282.95

Contingent liabilities and off-balance sheet arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2017:

(*₹ In million*)

Particulars	As at September 30, 2017	As at March 31,		
		2017	2016	2015
Claims against the Company not acknowledged as debt	220.12	218.00	1,633.75	1,696.77
Bank Guarantees	92.64	107.75	245.56	362.75
Letter of credit outstanding	351.01	131.88	160.74	324.19
Others	-	-	5.00	5.00
TOTAL	**663.77**	**457.64**	**2,045.05**	**2,388.72**

Our contingent liabilities as at March 31, 2016 included a demand of ₹ 1,444.69 million towards utilization of CENVAT credit on common inputs during Fiscal 2017, the CESTAT has decided this matter in our favour, as a result of which this amount does not appear in our contingent liabilities as at March 31, 2017.

For further information, see "*Financial Statements*" on page 141.

Except as disclosed in our Restated Financial Statements or in this Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

Related party transactions with certain of our directors and employees primarily relate to remuneration. For details, see Note 40 to Annexure V to our Restated Financial Statements on page 187.

Changes in Accounting Policies

During Fiscal 2017, the Company has revised its accounting policies in line with the requirements of Indian Accounting Standards. For further details, see Note 2 to Annexure V to our Restated Financial Statements on page 151.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss related to of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rate, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments, including investments, foreign currency payables and debt.

Commodity price risk

We are exposed to market risk in relation to the prices of raw materials consumed in our business. Our financial results may be affected significantly by fluctuations in these prices, which depend on many factors including demand for these materials, changes in the economy, worldwide production levels, worldwide inventory levels and disruptions in the supply chain.

Credit risk

Any scarcity of credit or other financing in India, or worldwide, resulting in an adverse impact on economic conditions may impinge upon our ability to finance our development and expansion.

Foreign currency exchange rate risk

While our reporting currency is Indian rupees, a portion of our business relating to our import of raw materials and other capital equipment are in other currencies. Our exchange rate risk primarily arises from our foreign currency revenues, costs and other foreign currency assets and liabilities to the extent that there is no natural hedge. We may be affected by significant fluctuations in the exchange rates between the Indian Rupee and other currencies.

Inflation risk

In recent year, India has experienced relatively high rates of inflation. While we believe that inflation has not had any material impact on our business and results of operations in light of the growth of our revenues, inflation generally impacts the overall economy and business environment and hence could affect us.

Unusual or infrequent events or transactions

Except as described in this 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.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Factors Affecting our Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 17.

Known trends or uncertainties

Other than as described in the section "*Risk Factors*" on page 17, to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between cost and income

Other than as described in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 97 and 245 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

Publicly announced new products or business segments /material increases in revenue due to increased disbursements and introduction of new products

Other than as disclosed in this section, in "*Our Business*" on page 97, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant dependence on single or few customers

Given the nature of our business operations, we have certain key customers including the defence and space sectors in India. Sales to our top 5 customers contributed 64.75%, 70.29% and 65.80% of our revenues from operations during Fiscals 2017, 2016 and 2015 respectively. Accordingly, we are currently dependent on key strategic customers in these sectors, which are traditionally public sector enterprises and whose purchasing policies are influenced by prevalent Government policies and strategic directions. We are also seeking to expand our customer base and engage with new customers in the oil and gas, mining, power, railways and chemical and fertilizers industries in order to reduce our dependence on these sectors.

Seasonality of business

We do not believe that our business or results of operations are subject to seasonal variations.

Significant developments after September 30, 2017 that may affect our future results of operations

Except as disclosed in this Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business for funding its working capital requirements. Additionally, we also provide counter-guarantees as and when necessary.

Our Company has obtained the necessary consents from the respective lender of our Company as required under the relevant loan documentations for undertaking certain actions in relation to the Offer.

Facilities availed by us

As on January 31, 2018, Company had Fund based facilities: outstanding secured borrowings of ₹ 1160.76 million and unsecured borrowings of ₹ 467.84 million; Non-Fund based facilities: ₹ 176.47 million, on a consolidated basis. Set forth below is a brief summary of our aggregate sanctioned and outstanding borrowings (both fund based and non-fund based) on a consolidated basis as on January 31, 2018:

Category of borrowing	Sanctioned amount/ issued amount as on January 31, 2018 (in ₹ million)	Outstanding amount as on January 31, 2018 (in ₹ million)
Fund based		
Secured		
Term Loan	-	-
Cash Credit	300.00	-
Short term overdraft facility - working capital (''**SOD**")	1,776.58	1,160.76
Unsecured		
Term loan from Vikram Sarabhai Space Centre ("**VSCC**")	47.84	17.84
Short Term Loan from Indusind Bank	450	450
Non-fund based		
Secured		
Letter of Credit	1,380.00	72.48
Bank Guarantee	1,020.00	103.99
Unsecured		
-	-	-
TOTAL	**4974.42**	**1805.07**

Principal terms of the borrowings availed by the Company:

a) ***Name of the banks of SOD:*** Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Oriental Bank, State Bank of India, Union Bank of India, HDFC Bank and Allahabad Bank;

b) ***Name of the banks of Letter of Credit and Bank Guarantee:*** Andhra Bank and State Bank of India;

c) ***Interest rate of SOD:*** In terms of the credit facilities (SODs) availed by the Company, the interest rate is typically ranging from 6.25% to 8% p.a.;

d) ***Tenure***: The tenure of the term loans (VSSC) availed by the Company is of five years and of the SOD availed by the Company is for one year;

e) ***Penal interest****:* In the event of default in repayment obligations in relation to borrowings availed by the Company, penal interest generally ranging from 1% to 2% may be imposed on the Company;

f) ***Security***: i) Letter of credit/ Bank Guarantee /Cash Credit – *Pari passu* charge on current assets

ii) SOD – Security against Term Deposits

g) ***Repayment***: i) Term loan from VSSC – ₹ 5 million per annum.

ii) SOD – Any time before maturity of term deposit

h) ***Events of Default***: Borrowing arrangements entered into by the Company contain standard events of default which include, among others, default of covenants of the loan agreement, non-payment of principal/interest and non-performance of the guarantees given, the lender shall have right to securitize the assets charged and in the event of such securitization, the lender will suitably inform the Company.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company.

i) ***Restrictive Covenants***: The financing arrangements contain certain restrictive conditions and covenants, which require the Company to obtain prior approval of the concerned lender before carrying out certain activities, including, among others:

- effect any change in the Company’s capital structure;
- formulate any scheme of amalgamation;
- enter into borrowing arrangements with any bank/financial institution/company; and
- change in composition of the Company’s Board of Directors

The details above are indicative and there may be additional restrictive covenants under the various borrowing arrangements entered into by the Company.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (i) criminal proceedings; (ii) actions by statutory/ regulatory authorities; (iii) taxation matters (indirect and direct taxes); (iv) other material litigations; involving our Company and Directors; and (v) dues to small scale undertakings and other creditors by our Company. Our Board, in its meeting held on December 14, 2017, adopted a policy on identification of material litigations and material creditors ("**Materiality Policy**").*

Identification of material litigation:

Our Board believes that 5% of the profit after tax as per the latest audited financial statement, for the entire financial year, is the appropriate threshold for determining material litigation and has identified as material litigation matters on the following parameters:

For outstanding litigation which may, or may, not have any impact on the future revenues of our Company:

(a) where the aggregate amount involved in such individual litigation exceeds 5% of the profit after tax as per the audited financial statement of our Company.

(b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed 5% of the profit after tax and amount involved in all of such cases taken together exceeds 5% of the profit after tax as per the latest audited financial statement, for the entire financial year; and

(c) outstanding litigation which may not meet the parameters set out in (a) or (b) above, but if such litigation has an adverse outcome, it would materially and adversely affect the operations or financial position of our Company.

Accordingly, the materiality threshold for litigation for our Company is ₹ 63.16 million (i.e. 5% of the net profit after tax of our Company, i.e.,₹ 1,263.13 million, as per the audited financial statements of our Company) for Fiscal 2017.

For the purposes of determining material litigation(s) involving our Directors in (iv) above, our Board shall consider all outstanding litigation involving each Director and it believes that if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of our Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

Identification of material creditors:

For identification of material creditor in terms of the Materiality Policy, any creditor of our Company shall be considered to be material, if the amount due to any one of them exceeds 1% of trade payables as per the last audited financial statements of the Company.

Accordingly, the threshold for material dues would be 1% of total trade payable as at September 30, 2017 i.e. 1 % of ₹ 904.36 million which is ₹ 9.04 million. For ease of disclosure, our Board has determined the outstanding dues in excess of ₹ 9.04 million to be material dues and the same has been accordingly disclosed in this section. Further, all outstanding dues have been disclosed in a consolidated manner in this Section.

Further, for outstanding dues to any party which is a small-scale undertaking or a micro, small or a medium enterprise, the disclosure is 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 Auditors.

Further, except as stated in this section, there are no: (i) pending proceedings initiated against our Company for economic offences; (ii) default and non - payment of statutory dues by our Company; (iii) inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years against our Company from the date of this Prospectus; (iv) material frauds committed against our Company in the last five years; (v) overdues to banks or financial institutions by our Company; (vi) defaults against banks or financial institutions by our Company; (vii) fines imposed or compounding offences against our Company; (viii) proceedings initiated against our Company for economic offences; (ix) matters involving our Company pertaining to violation of securities law, and (x) outstanding dues to material creditors and material small scale undertakings.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation are for that particular litigation only.

Litigation involving our Company

I. Litigation against the Company

(a) Criminal proceedings

There are no criminal proceedings against our Company.

(b) Civil proceedings

1. M. C. Jayasingh, proprietor of M/s. Eagle Osteon Technologies, Chennai, **("Appellant"**) has filed an original side appeal before the divisional bench of the High Court of Madras, challenging the order passed by single judge bench of the High Court of Madras for seeking injunction restraining the Company and others from infringing the patent rights of the Appellant. The amount involved in this matter is not ascertainable. This appeal is currently pending before the High Court of Madras.

2. Midhani Labour Contract Cooperative Society ("**Petitioner"**) has filed a writ petition before the High Court of Hyderabad against our Company to remove the precondition of having an establishment code under provident fund as an eligibility criterion for participating in the tender for housekeeping and gardening work of our Company. The Petitioner also filed a miscellaneous writ petition for staying the tender process, which was dismissed by the High Court permitting the Petitioner to participate in the tender process after obtaining the establishment code. The Petitioner did not participate in the said tender process. As the said enquiry/tender is already closed, the writ petition has become infructuous. The amount involved in this matter is not ascertainable. This writ petition is currently pending before the High Court of Hyderabad.

3. S. Ganagadhar Rao ("**Petitioner"**) has filed a writ petition against our Company in the High Court of Hyderabad against the order of Appellate Authority ("**AA"**) under the Right to Information Act 2005. The Petitioner had sought information regarding third party (i.e., call letters and appointment letters issued to eight employees recruited prior to 1980 by our Company) which was refused by the Chief Public Information Officer ("**CPIO"**) of our Company and the decision was upheld by the AA. Our Company had filed its counter in July, 2015. The amount involved in this matter is not ascertainable. This writ petition is currently pending before the High Court of Hyderabad.

4. S. Gangadhara Rao and 17 others ("**Petitioners"**) have filed a writ petition against our Company in the High Court of Hyderabad aggrieved by the order of our Company refusing to make their representation before the CMD. The said writ petition is filed for issuance of direction to our Company to accept their representation with the CMD of our Company and the Secretary, MoD and to consider the same. Earlier, the High Court had dismissed their writ appeal observing that it is open to the Petitioners to make a fresh representation to our Company. The Petitioner pursuant to the order of the High Court with respect to the said writ appeal submitted fresh representation to our CMD and our Company had passed appropriate reply in respect thereof. The amount involved in this matter is not ascertainable. The present writ petition is currently pending before the High Court of Hyderabad.

5. B. Samrajyam ("**Petitioner"**) has filed a writ petition before the High Court of Hyderabad against our Company for refusing to issue a no-objection certificate to the Petitioner for getting the land regularised under the Land Regularisation Scheme of Hyderabad Municipal Development Authority. Our Company had filed its counter stating that as per the guidelines issued by the MoD, provisions of the Works of Defence Act, 1903, and the government order issued by Greater Hyderabad Municipal Corporation, restrictions have been imposed on any sort of construction within 500 meters of the boundary wall of any defence establishments and our Company was not appropriate authority to grant such no objection certificate in such case. The Court has instructed the Petitioner to get the latest rule position in relation to the restrictions imposed on construction activities within 500 meters boundary wall of defence establishment. The amount involved in this matter is not ascertainable. This writ petition is currently pending before the High Court of Hyderabad.

6. M/s. Schneider Electric Infrastructure Limited ("**SEIL"**) raised a dispute against our Company for levy of liquidated damages along with interest, payment for additional work, delayed payment due to non- issue of provisions acceptance certificate ("**PAC"**) on time and has referred the issue for arbitration to Indian Council of Arbitration ("**ICA"**). Our Company has denied existence of any dispute and asked for arbitration. Accordingly, our Company sent a copy of reply to ICA mentioning provision of the contract executed between SEIL and our Company to initiate arbitration process. Our Company has not received any reply from SEIL and ICA. The amount involved in this matter is not ascertainable. The matter is still pending.

Other Civil Proceedings

1. There are certain civil proceedings against our Company that relate, *inter alia*, to supply contracts and labour/service disputes. These matters are currently pending before various courts and authorities in India. However, these matters do not involve pecuniary repercussions of ₹ 63.16 million or more, or any outstanding litigation wherein monetary liability is not quantifiable and whose outcomes would have a bearing on the operations or performance of the Company.

(c) *Actions by statutory and regulatory authorities*

There are no actions initiated by statutory and regulatory authorities against our Company.

(d) *Tax proceedings*

Indirect Tax proceedings (consolidated)

Sl. No.	Type of Indirect Tax	Number of cases	Approximate amount in dispute/ demanded (in ₹ million)
1.	Customs	1	10.60*
2.	Service Tax	3	5.70**
3.	Sales Tax / VAT	1	14.43**
4.	Central Excise	2	744.94**
Total		**7**	**775.67**

* excluding interest
** excluding *penalty and interest*

Direct Tax proceedings (consolidated)

S. No.	Type of Direct Tax	Number of cases	Approximate amount in dispute / demanded (in ₹ million)
1.	Income Tax	5*	77.72
Total		5	77.72

* ***Includes two cases that are pending in which the Commissioner of Income Tax has filed petition in the High Court of Hyderabad, against the Income Tax Appellate Tribunal's orders. The Company has not received any demand notice in relation to this. Also, the amount involved, presently, is not quantifiable.***

II Litigation by our Company

(a) *Criminal proceedings*

First Information Report ("**FIR**") filed by our Company at Police Station, Kanchnabagh, Hyderabad, Telangana against Rishabh Jain and three others of Specialty Chemicals UK Limited and Rishabh Metals and Chemicals Limited ("**Parties**") for supply of lime stone instead of ferro tungsten to our Company. The investigating officer filed the charge-sheet in the case and summons have been issued for servicing it to the Parties. The matter is pending in the Court of VII Additional Chief Metropolitan Magistrate, Hyderabad.

(b) *Civil proceedings*

There are 12 (Twelve) civil proceedings initiated by our Company that relate, *inter alia*, to customer contracts and labour/service disputes. These matters are currently pending before various courts and authorities in India. However, these matters do not involve a pecuniary repercussion of ₹ 63.16 million or more, nor any outstanding litigation wherein monetary liability is not quantifiable and whose outcomes would have a bearing on the operations or performance of the Company.

III. Litigation involving our Directors

(i) Litigation against our Directors

(a) Criminal proceedings

There are no criminal proceedings pending against the Directors of our Company.

(b) Civil proceedings

There are no civil proceedings pending against the Directors of our Company.

(c) ***Tax proceedings***

There are no tax proceedings pending against the Directors of our Company.

(d) ***Actions initiated by regulatory and statutory authorities***

There are no actions initiated by regulatory and statutory authorities against the Directors of our Company.

(ii) Litigation by our Directors

(a) Criminal proceedings

There are no pending criminal proceedings initiated by the Directors of our Company.

(b) Other litigations

There are no pending civil proceedings initiated by the Directors of our Company.

IV. Outstanding dues to small scale undertakings and other creditors by our Company

As on September 30, 2017, our Company had 967 creditors. The aggregate amount outstanding to such creditors as on September 30, 2017 was ₹ 904.36 million.

Based on the Materiality Policy adopted by our Board, the threshold for material dues is 1 % of the total trade payable as at September 30, 2017, i.e., 1 % of ₹ 904.36 million which is ₹ 9.04 million. Details of the dues owed to material creditors are given below:

Sr. No	Name of the creditor	Amount outstanding (in ₹ Million)
1.	Accel Frontline Limited	12.07
2.	Bay Forge Limited	16.20
3.	Bharat Heavy Electricals Limited	19.09
4.	Earth Resources International Limited	12.20
5.	Indian Oil Corporation Limited	28.46
6.	Janak Polymers Private Limited	21.88
7.	Kothari Metals Limited	31.09
8.	Oracle India Private Limited	17.90
9.	Stork International GmbH	9.33
	Total	**168.22**

Number of cases and amount involved for small scale undertakings and other creditors:

Sr. No.	Particulars	Number of cases	Amount involved (in ₹ million)
1.	Micro, Small and Medium Enterprises	26	19.01
2.	Other Creditors	941	885.35
	Total	**967**	**904.36**

The details pertaining to amounts due towards creditors are available on the website of our Company at the following link: http://midhani.com/IPO.jsp

V. Details of default and non - payment of statutory dues by our Company

There have been no defaults or non-payment of statutory dues by our Company.

VI. Details of pending litigation involving any other person whose outcome could have material adverse effect on the position of our Company

As on the date of this Prospectus, there is no such pending litigation involving any other person whose outcome could have material adverse effect on the position of our Company other than those mentioned in this section.

VII. Material fraud committed against our Company in the last five years and actions taken by our Company in this regard

There are no material frauds committed against our Company during the last five years immediately preceding the date of this Prospectus.

VIII. Pending proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company or our Directors for any economic offences.

IX. Inquiries, investigations etc. instituted under the Companies Act in the last five years against our Company

There are no inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act, 2013 or any previous company law in the last five years. Further, except as disclosed above, there are no prosecutions filed (whether pending or not), fines imposed, compounding of offences done by our Company under the Companies Act, 2013 or any previous Companies Act in the last five years immediately preceding this Prospectus.

X. Material Developments

Except as disclosed in *"Management's Discussion And Analysis of Financial Condition and Results of Operations"* on page 245, there have not arisen, since the date of the last financial information disclosed in Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

XI. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Prospectus

There are no fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Prospectus.

XII. Adverse findings against any persons/entities connected with our Company as regards non-compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non-compliance with securities law.

XIII. Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or Directors.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake the Offer and our Company can undertake its current business activities, and no further major approvals from any governmental or regulatory authority are required to undertake the Offer or continue the business activities of our Company. Unless otherwise stated, these approvals are valid as of the date of this Prospectus. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals are in the process of making such applications. For details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" on page 110.

1. Incorporation Details

- Certificate of incorporation dated November 20, 1973 issued to our Company by the RoC.
- Change of status to deemed public company under section 43A(1)/ 43A(1A)/ 43A(1B) of the Companies Act, 1956 with effect from July 01, 1983.
- Change of status to private company pursuant to the notification of the Companies (Amendment) Act, 2000 notified on February 27, 2001.
- Change of status to public company on October 27, 2017 and a fresh certificate of incorporation dated November 13, 2017 consequent upon conversion to public limited company was issued by the RoC.

2. Approvals in relation to the Offer

- Our Board has, by way of resolution dated November 17, 2017, approved the Offer.
- The President of India, acting through the MoD has approved the Offer for Sale of 46,835,000 Equity Shares of our Company vide its letter bearing file number 23(60)/2015/D(NS-1) dated January 9, 2018
- The President of India, acting through the MoD has approved the Offer for Sale of 48,708,400 Equity Shares of our Company vide its letter bearing file number 23(60)/2015/D(NS-1) dated March 5, 2018. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees.
- The President of India, acting through the MoD has consented to include its shareholding of upto 37,468,000 Equity Shares representing 20% of the post Offer paid-up Equity Share capital as minimum promoter's contribution to the Offer, which shall be considered for lock- in for a period of three years from the date of allotment/sale of Equity Shares in the Offer vide its authorisation certificate bearing number 23(60)/2015/D(NS-1) dated January 9, 2018.

3. In Principle Approvals from Stock Exchanges

Our Company received in-principle approvals from the BSE and the NSE for the listing of its Equity Shares pursuant to letters dated January 31, 2018 and February 01, 2018, respectively.

4. Material approvals for our business and operations

We require various approvals and/or licences under various rules and regulations to operate our business in India. We have obtained the necessary permits, licences and approvals from the appropriate regulatory and governing authorities required to operate our business.

The material approvals required by our Company to conduct its operations are set out below:

(a) Environmental Licence

Sr. No.	Name/description of licence/approval	Issuing authority	Date of issue/ renewal	Date of expiry, if specified
1.	Integrated Consent for Operations bearing no. 16082434704 under the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act 1981 and Hazardous	Senior Environmental Engineer (UH-I), Telangana State Pollution Control Board	December 09, 2016	May 31, 2021

	and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2016			

(b) Industry Related Licences

Sr. No.	Name/description of licence/approval	Issuing authority	Date of issue/renewal	Date of expiry, if specified
1.	Licence No./ Registration No. 58183 to operate a factory at Mishra Dhatu Nigam Limited, Kanchanbagh, Bairamalguda, Saroornagar, Rangareddy 500 058, Telangana	Director of Factories, Government of Telangana	January 1, 2018	December 31, 2018
2.	Licence bearing no. AERB/ RSD/IR-SR-GEN/3430/03 for possession and operation of radiography exposure device(s) for industrial radiography under the Atomic Energy Act, 1962	Atomic Energy Regulation Board, Radiological Safety Department	April 30, 2003	-
3.	License bearing no. S/HO/TG/03/954(S66001) for storage of liquid argon and liquid oxygen gas in pressure vessels, under the Indian Explosives Act, 1884 and the rules made thereunder	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Hyderabad sub-circle office, Secunderabad.	July 19, 2017	September 30, 2018
4.	License bearing no. S/HO/TG/03/15(S3465) for storage of LPG in pressure vessels, under the Indian Explosives Act, 1884 and the rules made thereunder	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Hyderabad sub-circle office, Secunderabad.	December 18, 2017	September 30, 2019
5.	License bearing no. S/HO/TG/03/5(S3448) for storage of liquid hydrogen gas in pressure vessels, under the Indian Explosives Act, 1884 and the rules made thereunder	Chief Controller of Explosives, Petroleum and Explosives Safety Organisation, Hyderabad sub-circle office, Secunderabad.	November 06, 2017	September 30, 2019
6.	Medical Licence for Bioimplants - Licence bearing no. 52/RR/AP/2009/MD/R to manufacture for sale of drugs other than those specified in Schedules X	Deputy Director (Enf) & Designated Officer, Drugs Control Administration, Government of Telangana	June 27, 2015	December 07, 2019
7.	Technical feasibility approval bearing no. Lr.No.CGM(Comml&RAC)/SE(IPC)/F.MIDHANI/D.No.2186/16 for setting up of 4 megawatt capacity solar project at near Chintalkunta (Vg), Hyderabad, Telangana	Chief General Manager, South Power Distribution Company of Telangana Limited	March 10, 2017	-

8.	Licence bearing no. G/HO/TG/05/175(G18550) to store compressed gas in pressure vessel or vessels under the Indian Explosives Act, 1884 and the rules made thereunder	Chief Controller of Explosives, Secunderabad	May 01, 2016	September 20, 2018
Sr. No.	**Name/description of licence/approval**	**Issuing authority**	**Date of issue/renewal**	**Date of expiry, if specified**
9.	Certificate for use of Boiler bearing no. AP/5896	Joint Director of Boilers, Telangana, Hyderabad	October 10, 2017	October 09, 2018
10.	Consent & HWA Order (Renewal) bearing no. 16082434704	Senior Environmental Engineer (UH-I), Telangana State Pollution Control Board	December 09, 2016	May 31, 2021
11.	Licenses for filling of cylinder with compressed gas for oxygen and hydrogen under the Indian Explosives Act, 1884 and the rules made thereunder dated September 20, 1985, renewed on January 05, 2016 and valid upto September 30, 2018			
12.	Our Company is in receipt of certificate for verification for stamping weights and measures under the Standards of Weights and Measures (Enforcement) Act, 1985 issued by the Office of the Controller of Legal Metrology, Hyderabad in relation to various weights and measures. These weights and measures are periodically verified by the concerned agency.			

(c) Employment Related Licences

Sr. No.	Name/description of licence/approval	Issuing authority	Date of issue	Date of expiry, if specified
1.	Contract Labour (Regulation & Abolition) Act, 1970	Assistant Labour Commissioner (Central)-I Registering Officer	April, 19, 2011	-
2.	Amendment Certificate -1 under Contract Labour (Regulation & Abolition) Act, 1970	Assistant Labour Commissioner (Central)-I Registering Officer	June 19, 2015	-
3.	Relaxation order under Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner, Andhra Pradesh	February 27, 1985	-
4.	Conversion of employer's code under the ESI Act, to 17 digits bearing no. 52000046290000904	Employee Insurance State Corporation, Regional Office, Andhra Pradesh	November 10, 2009	
5.	Our Company has obtained following certificates of registration under the Indian Trade Unions Act, 1926 for our workers/ employee trade unions from the Deputy Registrar of Trade Union, Hyderabad: i) registration no. B- 950 dated August 22, 1980; ii) registration no. A-1674 dated January 10, 1990; and iii) registration no. B-725 dated October 03, 1978			

In addition to the above, we have also obtained the certified copy of the Standing Orders as certified by the Chief Labour Commissioner (Central) and Appellate Authority under the Industrial Employment (Standing Orders) Act 1946.

(d) **Tax Related Approvals**

Sr. No.	Name/description of licence/approval	Issuing authority	Date of issue	Date of expiry, if specified
1.	Certificate of Provisional Registration under the Telangana Goods and Services Tax Act, 2017. The State GST bearing identification number is 36 AABCM6345AIZU	GoI and Government of Telangana	June 28, 2017	-
2.	Form No. 3CM – Order No. TU/IV-15(590)/35(2AB)/3CM/ 413/2017 in relation to approval for in house research and development facility under section 35(2A) B of the Income Tax Act, 1961	Scientist-G, for and on behalf of Secretary, Department of Scientific and Industrial Research, Ministry of Science and Technology, GoI	February 16, 2017	March 31, 2020
3.	PAN AABCM6345A issued under the Income Tax Act, 1961 issued by the Income Tax Department, Ministry of Finance, GoI			
4.	The tax deduction account number of our Company is HYDM00022B issued under the Income Tax Act, 1961 issued by the Income Tax Department, Ministry of Finance, GoI			

(e) **Foreign Trade Related Approvals**

Sr. No.	Name/description of licence/approval	Issuing authority	Date of issue/renewal	Date of expiry, if specified
1.	Import Export Code certificate having no. 0988000415	Office of Joint Director General of Foreign Trade, Ministry of Commerce, GoI	April 1, 1988	-

Pending Approvals

We have made applications for some of the approvals to be obtained by our Company as set out below:

1. Renewal letter bearing no MDN/ES/UTL/F.OIL/2017-18, dated October 27, 2017 to the Joint Chief Controller of Explosives, Petroleum and Explosives Safety Organization, Secunderabad, Telangana in relation to renewal of license no P/HQ/AP/15/481(P3943) for storage of furnace oil at our Company.

2. Approval bearing no. CEI/4/EI/RIO (S)/Insp/2015/445 for electrical installations under the provisions of the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 for installation of 132/11 KV switchyard (2X40 MVA, 132/11 KV transformers) dated April 27, 2015, obtained from Deputy Director & Electrical Inspector to the GoI, Central Electricity Authority was valid for 2 years. Our Company is in process of renewal of the same.

3. Application to Joint Chief Controller of Explosives, Secunderabad dated December 8, 2017 in relation to renewal of license for storage of liquid Nitrogen in pressure vessels.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board of Directors has approved the Offer pursuant to a resolution passed at their meeting held on November 17, 2017.

The President of India, acting through the MoD has approved the Offer for Sale of 48,708,400 Equity Shares of our Company vide its letter bearing file number 23(60)/2015/D(NS-1) dated March 5, 2018. The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees.

The Selling Shareholder has confirmed that they have held the Equity Shares proposed to be offered and sold in the Offer for at least one year prior to the date of filing the Red Herring Prospectus and the Equity Shares proposed to be offered and sold by them shall not be sold or transferred, charged, pledged or otherwise encumbered.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Directors, our Promoter, persons in control of our Company, have not been prohibited from accessing capital market for any reason by SEBI or any other authorities in India.

Our Promoter, our Directors, persons in control of our Company were not, or also are not, a promoter or a director or persons in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

None of our Directors are associated in any manner with the securities market, including securities market related business, and there has been no action taken by SEBI against our Directors or any entity in which any of our Directors are involved as a promoter or director.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. Further, there are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Financial Statements prepared in accordance with sub clause (i) (ii) and (iii) of clause (b) of sub section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations:

- The Company has net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each)
- The Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on restated basis, during the three most profitable years out of the immediately preceding five years.
- The Company has a pre-Offer net worth of not less than ₹ 10 million in each of the preceding three full years (of 12 months each).
- The aggregate of the proposed Offer and all previous issues made by the Company after September 30, 2017 does not exceed five times the pre-Offer net worth of the Company as per the audited accounts for the period ended September 30, 2017.
- The Company has not changed its name during the last one year.

Our Company's net tangible assets, pre-tax operating profit and net worth derived from our Restated Financial Statements are set forth below:

(in ₹ million)

Particulars	For the period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Pre-tax operating profit, as restated	563.17	2,040.17	1,759.10	1,505.35	1,402.30	1,343.74
Net Worth, as restated	7,334.33	7,043.44	6,196.70	5,400.58	4,406.72	3,872.49

Particulars	For the period ended September 30, 2017	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013
Net tangible Assets, as restated	3,236.48	3,264.39	2,614.63	2,423.36	1,129.57	651.78

In accordance with regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted under the Offer shall not be less than 1,000 otherwise the entire application money will be refunded. If such money is not repaid within the time prescribed under the Applicable Laws, our Company and the Selling Shareholder shall be liable to pay interest on the application money in accordance with the Applicable Laws.

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 THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING SBI CAPITAL MARKETS LIMITED AND IDBI CAPITAL MARKETS & SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT REDHERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE PORTION OF THE EQUITY SHARES OFFERED BY WAY OF THE OFFER OF SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 16, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER*.

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

A. THIS DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER*;

B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH*; AND

C. THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS*.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF ITS EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH</u>**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. <u>NOT APPLICABLE</u>**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY <u>NOT APPLICABLE</u>**
   AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. <u>COMPLIED WITH</u>

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013</u>.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. <u>NOT APPLICABLE, UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES IN THE OFFER SHALL BE ISSUED IN DEMATERIALIZED FORM ONLY</u>.**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION*.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME*.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. <u>NOTED FOR COMPLIANCE</u>.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. <u>COMPLIED WITH</u>.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. <u>COMPLIED WITH</u>.**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST OFFERS HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. <u>COMPLIED WITH</u>.**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANIES, IN ACCORDANCE WITH ACCOUNTING STANDARD 18 AND INCLUDES IN THIS DRAFT RED HERRING PROSPECTUS</u>.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER REGULATION 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE) <u>NOT APPLICABLE</u>.**

    * *The Company being a defence public sector undertaking, due to the national interest and security related concerns, certain material information/ documents in relation to the business and operations of the Company have been classified as 'sensitive/confidential' by the Ministry of Defence, and the Company. Considering the confidential nature of the document/ information relating to the business of the Company, SEBI has vide its letter dated August 3, 2017 granted relaxations from the strict enforcement of certain requirement under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to representation from Department of Investment and Public Asset Management. As a result, such information/ documents have not been made accessible to the BRLMs and the Legal Counsels for their due diligence and this has limited the overall due diligence process undertaken by the BRLMs and the Legal Counsels. Hence, such documents and information have not been disclosed in the Draft Red Herring Prospectus, and as a result in certain cases the disclosure contained in the Draft Red Herring Prospectus is not as detailed as may be required.*

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

The filing of this Prospectus does not absolve the Selling Shareholder from any liabilities under section 34 or section 36 of the Companies Act, 2013 to the extent the statement specifically confirmed or undertaken by them in respect of the Equity Shares being offered by them. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Prospectus.

Caution - Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our Company's or the Selling Shareholder's instance and anyone placing reliance on any other source of information, including our Company's website www.midhani.com would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for any statements made other than those made in relation to it and/or to the Equity Shares offered through the Offer for Sale. The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information has been made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information was 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 Shareholder or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer were required to confirm and were deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, 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 Equity Shares of our Company.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and the Selling Shareholder in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and the Selling Shareholder for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 2(72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with IRDAI, permitted insurance companies, permitted provident fund and pension funds, insurance funds set up and managed by the army and navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and to FPIs, FIIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). The Red Herring Prospectus and this Prospectus do not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and this 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 Hyderabad, Telangana 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 the Draft Red Herring Prospectus was filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus and this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The offer and sale of the Offer Shares has not been and will not be registered under the Securities Act or any state securities laws in the United States and the Offer Shares may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States and only in offshore transactions in reliance on Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.

The Offer Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act unless made pursuant to (i) Rule 144A only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Prospectus as "U.S. QIBs" (for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Prospectus as "QIBs") or (ii) another available exemption from the registration requirements of the Securities Act and in accordance with applicable state securities laws.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of the Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(6) the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S under the Securities Act);

(7) our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(8) the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a "Relevant Member State), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Equity Shares shall result in a requirement for our Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to with the Underwriter and our Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

Our Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Disclaimer Clause of BSE

"BSE has given vide its letter dated January 31, 2018 permission to the Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/35637 dated February 01, 2018 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, 7th Floor, 756-L, Anna Salai, Chennai - 600002, Tamil Nadu.

A copy of the Red Herring Prospectus, along with the documents required to be filed under section 32 of the Companies Act, 2013 has been delivered for registration to the RoC and a copy of this Prospectus to be filed under section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the following address of the RoC:

Registrar of Companies

2nd Floor, Corporate Bhawan, GSI Post, Tattiannaram Nagole, Bandlaguda, Hyderabad - 500 068, Telangana, India

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated January 31, 2018 and February 01, 2018, respectively. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the Red Herring Prospectus/ this Prospectus. If such money is not repaid within the prescribed time after our Company is liable to repay it, then our Company and every Director of our Company and every officer of our Company who is in default may, on and from expiry of such period, shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/ Offer Closing Date or within such other period as may be prescribed. Further, the Selling Shareholder confirm that they shall provide assistance to our Company and the BRLMs, as may be reasonably required and necessary, for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/ Offer Closing Date.

Price information of past issues handled by the BRLMs:

A. ***SBI Capital Markets Limited***

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by SBICAP:

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Bharat Dynamics Limited[4]	9,527.88	428.00	March 23, 2018	370.00	NA	NA	NA
2	H.G. Infra Engineering Limited	4620.00	270.00	March 09, 2018	270.00	NA	NA	NA
3	Amber Enterprises India Limited[5]	5,995.99	859.00	January 30, 2018	1,180.00	+27.40% [-5.13%]	NA	NA
4	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+3.61% [-3.19%]	+8.12% [+2.05%]	NA
5	SBI Life Insurance Company Limited[6]	83,887.29	700.00	October 3, 2017	735.00	-7.56% [+5.89%]	-0.07% [+4.56%]	NA
6	Cochin Shipyard Limited[7]	14,429.30	432.00	August 11, 2017	435.00	+30.24% [+2.14%]	+30.51% [+6.42%]	+20.02% [+9.55%]
7	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	+3.14% [+5.40%]	+39.12% [+8.62%]
8	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% [+5.84%]	+128.86% [+2.26%]	+146.71% [+10.61%]
9	Housing and Urban Development Corporation Limited	12,095.70	60.00	May 19, 2017	73.45	+13.08% [+2.78%]	+34.58% [+4.29%]	+35.75 [8.13%]
10	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	604.40	+145.03% [-0.50%]	+165.17% [+6.19%]	+264.26% [+9.97%]

Source: www.nseindia.com, www.bseindia.com

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The designated exchange for the issue has been considered for the price, benchmark index and other details.
3. The number of Issues in Table-1 is restricted to 10.
4. Employee Discount and Retail Discount of Rs.10 per Equity Share to the Offer Price
5. Employee Discount of Rs.85 per Equity Share to the Offer Price
6. Employee Discount of Rs.68 per Equity Share to the Offer Price
7. Employee Discount and Retail Discount of Rs.21 per Equity Share to the Offer Price

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50 %	Less than 25%
2017-18	9	159,014.27	-	-	2	1	2	2	-	-	-	1	2	1
2016-17	7	129,691.00	-	-	3	1	1	2	-	1	1	2	2	1
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

** Based on issue closure date*

B. IDBI Capital Markets & Securities Limited

Price information of past issues handled by IDBI Capital Markets & Securities Limited during current financial year and two financial years preceding the current financial year:

Sr. No.	Issue Name	Issue Size (in Rs. Million)	Issue Price (Rs.)	Listing Date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Bharat Dynamics Limited	9,527.88	428.00(2)	March 23, 2018	370.00	N.A.	N.A.	N.A.
2.	Security and Intelligence Services (India) Limited	7,795.30	815.00	August 10, 2017	879.00	-3.29% (+1.17%)	3.14% (5.40%)	+39.12% (+8.62%)
3.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	+127.92% (+5.84%)	+128.86% (+2.26%)	+146.71% (+10.61%)
4.	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	May 19, 2017	73.00	+13.17% (+2.44%)	+34.67% (+4.98%)	+35.67% (+8.05%)
5.	MEP Infrastructure Developers Limited	3,240.00	63.00	May 06, 2015	65.00	-15.71% (+0.42%)	-8.57% (+5.51%)	-13.49% (-0.57%)

(1): Price for Retail Individual Bidders Bidding in the retail portion and to Eligible Employees was INR58.00 per equity share
(2): Price for Retail Individual Bidders Bidding in the retail portion and to Eligible Employees was INR 418.00 per equity share
N.A: Not Available

Notes:

a. Source: www.nseindia.com for the price information
b. Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
c. The Nifty 50 index is considered as the benchmark index.

Summary statement of price information of past issues handled by IDBI Capital Markets & Securities Limited

Fiscal Year	Total no. of IPOs	Total amount of funds raised (Rs. Million.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017 - date of this date of Prospectus *	4	34658.79	-	-	1	1	-	1	-	-	-	1	2	-
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	1	3,240.00	-	-	1	-	-	-	-	-	1	-	-	-

** The information is as on the date of the document*

The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs to the Offer as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by the SEBI, refer to the websites of the BRLMs as set forth in the table below:

S. No.	Name of the BRLMs	Website
1.	SBI Capital Markets Limited	www.sbicaps.com
2.	IDBI Capital Markets & Securities Limited	www.idbicapital.com

Consents

Consents in writing of: (a) our Directors, our CFO, our Company Secretary and Compliance Officer, BRLMs, the Registrar to the Offer, Indian Legal Counsel to our Company and the Selling Shareholder, International Legal Counsel to our Company and the Selling Shareholder, Indian Legal Counsel to the BRLMs, Statutory Auditors, Bankers to our Company and the Escrow Collection Banks, to act in their respective capacities have been obtained and filed along with a copy of the Prospectus with the RoC as required under sections 26 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn upto the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, Basha & Narasimhan, Chartered Accountants, have given their written consent for inclusion of their reports dated February 6, 2018, on the audited restated financial statements of our Company and the statement of tax benefits dated November 30, 2017 in the form and context, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

Expert opinion

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

Our Company has received written consent from the Statutory Auditors, namely, M/s. Basha & Narasimhan, who hold a valid peer review certificate, to include its name as required under section 26(1)(a)(v) of the Companies Act in this Prospectus and as an "Auditor" or "Statutory Auditor" and "expert" as defined under section 2(38) of the Companies Act in respect of their examination report dated February 6, 2018 on the Restated Financial Statements as of and for Six months ended September 30, 2017 and the Fiscal years ended March 31, 2017, 2016, 2015, 2014 and 2013 and the statement of tax benefits dated November 30, 2017, included in this Prospectus and such consents have not been withdrawn as on the date of this Prospectus.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹ 225.62 million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company. For further details, see *"Objects of the Offer"* on page 70.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement, a copy of which were made available at our Registered Office.

Commission payable to the SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to the SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer*" on page 70.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice, refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which was made available for inspection at our Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/ speed post (subject to postal rules)/under certificate of posting.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Prospectus until the Bid / Offer Closing Date.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 62, our Company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Companies and associates of our Company

Our Company does not have group companies and associates which have undertaken a capital issue in the last three years preceding the date of this Prospectus.

Performance vis-à-vis objects – public/ rights issue of our Company and/ or listed Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue. Our Company does not have Group Companies and associates which have undertaken any public or rights issue in the last 10 years preceding the date of the Prospectus.

Outstanding Debentures or Bonds

Except as disclosed in "*Financial Indebtedness*" on page 265, our Company does not have any outstanding debentures or bonds as of the date of this Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding preference shares as on date of this Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders 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 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 DP ID, Client ID, PAN, date 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.

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

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

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the Designated Intermediaries, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders Relationship Committee. For details, see "*Our Management – Committees of the Board – Stakeholders Relationship Committee*" on page 129.

Our Company has also appointed Paul Antony, Company Secretary of our Company as the Compliance Officer for the Offer and he may be contacted in case of any pre- Offer or post- Offer related problems at the following address:

Mishra Dhatu Nigam Limited
P.O. Kanchanbagh, Hyderabad - 500 058, Telangana, India
Tel: +91-040-24340853
Fax: + 91-040-24340214
Email: secretary@midhani.com

Our Company has not received any investor complaint during the three years preceding the date of filing of this Prospectus.

Our Compliance Officer shall monitor the SCORES portal on ongoing basis and redress the investor grievances at the earliest and in any case not later than the time prescribed by SEBI.

Changes in Auditors

Except as described below, there has been no change in the statutory auditors of our Company during the three years preceding the date of this Prospectus.

Name of Auditor	Date of Change	Reason
V Rao & Gopi, Chartered Accountants	July 11, 2016	Change of auditor by Comptroller and Auditor General of India
Basha & Narasimhan, Chartered Accountants	July 11, 2016	Appointment of auditor by Comptroller and Auditor General of India

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the Allotment Advices, 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 shall be subject to applicable laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, 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 GoI, the Stock Exchanges, the Roc and/or any other authorities while granting its approval for the Offer. SEBI has notified the SEBI Listing Regulations which govern the obligations which were prescribed under the Equity Listing Agreement.

Ranking of the Equity Shares

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association, and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 340.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the SEBI Listing Regulations, as applicable. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 135 and 328, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 each and the Offer Price at the lower end of the Price Band is ₹ 87 per Equity Share and at the higher end of the Price Band is ₹ 90 per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer has been decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of English national daily newspaper Financial Express, all editions of Hindi national daily newspaper Jansatta and in Hyderabad edition of Telugu daily newspaper Navatelangana, each with wide circulation, at least five Working Days prior to the Bid/ Offer Opening Date and were 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, were pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the BRLMs, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares by way of Book Building Process.

Retail Discount and Employee Discount

Retail Discount and Employee Discount of ₹ 3 per Equity Share and ₹ 3 per Equity Share to the Offer Price has been offered to the Retail Individual Bidders and the Eligible Employees Bidding in the Employee Reservation Portion, respectively.

At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of our Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity Shareholders shall have the following rights:

- right to receive 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 or "e-voting", 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 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 340.

Market Lot and Trading Lot

Pursuant to section 29 of the Companies Act, 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 among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated January 2, 2018 among NSDL, our Company and the Registrar to the Offer; and
- Tripartite Agreement dated January 1, 2018 among CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 150 Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Hyderabad, India.

Nomination facility to Bidders

In accordance with section 72 of the Companies Act, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of section 72 of the Companies Act, shall upon the production of such evidence as may be required by our 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 (ninety) 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 will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the Bidders would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to not to proceed with the Offer after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the Pre-Offer advertisements were published, within 2 (two) days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer.

The Registrar to the Offer shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

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

BID/ OFFER OPENED ON	Wednesday, March 21, 2018
BID/ OFFER CLOSED ON	Friday, March 23, 2018

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

Event	Indicative Date
Bid/ Offer Closing Date	Friday, March 23, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, March 28, 2018
Unblocking of funds from ASBA Account	On or about Monday, April 2, 2018
Credit of Equity Shares to demat accounts of Allottees	On or about Tuesday, April 3, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, April 4, 2018

The above timetable, other than the Bid/ Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholder shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, the timetable may be extended due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date.

Submission of Bids:

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. IST
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids were uploaded until:

(a) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders; and

(b) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/ Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book vis-a-vis data contained in physical Bid-cum-Application Form, for a particular Bidder the details of the Bid file received from Stock Exchanges may be taken as final data for purposes of Allotment.

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 the RHP and this Prospectus is in IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public/ bank holiday). None among our Company, the Selling Shareholders and any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

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 as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 (sixty) days from the date of Bid/ Offer Closing Date, our Company and the Selling Shareholder shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, interest shall be payable as prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law.

Further, our Company and the Selling Shareholder shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, Promoter's Contribution, as provided in "*Capital Structure-Details of Lock-in*" on page 64 and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further there are no restrictions on the transmission of Equity Shares and on their consolidation/ splitting, except as provided in our Articles of Association. For details see, "*Main Provisions of the Articles of Association*" on page 340.

OFFER STRUCTURE

Initial public offering of 48,708,400 Equity Shares through an Offer for Sale by the Selling Shareholder, for cash at a price of ₹ 90* per Equity Share (less Retail Discount and Employee Discount, as applicable) aggregating to ₹ 4,328.96# million.

The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99* million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer which is 46,835,000 Equity Shares. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.

**Subject to finalisation of Basis of Allotment*

#Retail Discount of ₹ 3 per Equity Share to the Offer Price was offered to the Retail Individual Bidders and Employee Discount of ₹ 3 per Equity Share to the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees (4)	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
Number of Equity Shares Available for Allotment/ allocation(1)*	Not more than 1,873,400 Equity Shares available for allocation	2,34,17,500 Equity Shares or Net Offer less allocation to Non Institutional Bidders and Retail Individual Bidders	Not less than 70,25,250 Equity Shares available for allocation or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 1,63,92,250 Equity Shares available for Allocation or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Approximately 3.85 % of the Offer Size and and 1 % of the post-Offer Equity Share capital of our Company	50% of the Net Offer size was made available for allocation to QIBs. However, upto 5% of the QIB Portion was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund portion was available for allocation to QIBs	Not less than 15% of the Net Offer or Net Offer less allocation to QIBs and Retail Individual Bidders	Not less than 35% of the Net Offer or the Net Offer less allocation to QIBs and Non-Institutional Bidders
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate#	Proportionate as follows: (a) 11,70,875 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 2,22,46,625 Equity Shares shall be Allotted available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details, see "*Offer Procedure – Part B –Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 329
Minimum Bid	150 Equity Shares net of Employee Discount and in	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of	Such number of Equity Shares that the Bid Amount	150 Equity Shares net of Retail Discount and in

Particulars	Eligible Employees [(4)]	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
	multiples of 150	150 Equity Shares thereafter	exceeds ₹ 200,000 and in multiples of 150 Equity Shares thereafter	multiples of 150 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares, in multiples of 150 Equity Shares, so that the Bid Amount does not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 500,000 (excluding Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 500,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount)	Such number of Equity Shares in multiples of 150 Equity Shares not exceeding the size of the Offer, subject to applicable limits to the Bidders	Such number of Equity Shares, in multiples of 150 Equity Shares not exceeding the size of the Offer, subject to applicable limits to the Bidders	Such number of Equity Shares in multiples of 150 Equity Shares so that the Bid Amount does not exceed ₹ 200,000 (excluding Retail Discount).
Bid Lot	150 Equity Shares and in multiples of 150 Equity Shares thereafter			
Mode of Allotment	Compulsorily in dematerialized form			
Allotment Lot	150 Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply(2)	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 foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, Systemically Important Non-banking Financial Companies, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, in accordance with applicable law, National Investment Fund set up by the	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	Eligible Employees (4)	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
		GoI, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India		
Terms of Payment	Full Bid Amount has been blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form(3)			
Mode of Bidding	Only through the ASBA process.			

** Assuming full subscription in the Offer.*

(1) *Subject to valid Bids received at or above the Offer Price. This Offer has been made in accordance with rule 19(2)(b) of the SCRR and the SEBI ICDR Regulations.*

(2) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(3) *Retail Discount of ₹ 3 to the Offer Price has been offered to the Retail Individual Bidders and the Employee Discount of ₹ 3 to the Offer Price has been offered to Eligible Employees Bidding in the Retail Portion and Employee Reservation Portion, respectively*

(4) *The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.*

#Eligible Employees Bidding in the Employee Reservation portion can Bid upto a Bid Amount of ₹ 500,000 (excluding Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion would be considered for allocation, in the first instance, for a Bid Amount of upto ₹ 200,000(excluding Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion would be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (excluding Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount). Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid under the Net Offer and such Bids will not be treated as multiple Bids.

The Offer has been made through the Book Building Process, in reliance of regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer was allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). 5% of the QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer was available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids received at or above the Offer Price.

Under subscription, if any, in any category except the QIB Category, was met with spill-over from the other categories (including the Employee Reservation Portion) at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

A total of upto 1,873,400 Equity Shares aggregating to ₹ 162.99 million was available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids received at or above the Offer Price. Under- subscription, if any, in the Employee Reservation Portion was added back to the Net Offer to public.

Retail Discount

The Retail Discount was offered to Retail Individual Bidders at the time of making a bid. Retail Individual Bidders Bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders Bidding at the Cut-Off Price have to ensure payment at the Cap Price at the time of making a Bid. Retail Individual Bidders must ensure that the Bid Amount does not exceed ₹ 200,000. Retail Individual Bidders must mention the Bid Amount while filling the Bid cum Application Form.

Employee Discount

The Employee Discount was offered to the Eligible Employees Bidding in the Employee Reservation Portion, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at a price within the Price Band can make payment at the Bid Amount (excluding Employee Discount) at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion Bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion are required to ensure that the Bid Amount (excluding Employee Discount) does not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (excluding Employee Discount) on a net basis only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (excluding Employee Discount). Refer to "*Offer Procedure - Maximum and Minimum Bid Size*" on page 317.

Period of operation of subscription list

See "*Terms of the Offer – Bid/Offer Programme*" on page 292

OFFER PROCEDURE

*All Bidders should review the "General Information Document for Investing in Public Offers" prepared and issued in accordance with the circular dated October 23, 2013 notified by SEBI and updated circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, notified by SEBI (CIR/CFD/POL/CYCILL/11/2015 and SEBI Circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 ("**General Information Document**") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges, the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SCSBs should ensure compliance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

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 the 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 the Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process, in reliance on Regulation 26(1) of the SEBI ICDR Regulations, wherein, 50% of the Net Offer was made Allotted to QIBs on a proportionate basis. Further, 5% of the QIB Portion was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer was made available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids received at or above the Offer Price. Further, upto 1,873,400 Equity Shares aggregating to ₹ 162.99 million was made available for allocation on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation portion, subject to valid Bids received at or above the Offer Price.

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 excluding Employee Discount), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (excluing Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹ 200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. 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 Selling Shareholder and our Company 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. In accordance with Rule 19(2) (b) of the SCRR, the Offer will constitute at least 25% of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, upon listing, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus were made available with the Designated Intermediaries at the Bidding Centres, and the Registered Office. An electronic copy of the ASBA Form was also available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders mandatorily participated in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders ensured that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis.	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under QIB Portion), FPIs or FVCIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form.*

** *The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to* ₹ 162.99 *million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.*

Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or Escrow Collection Bank.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is for the benefit of the Bidders. Our Company, the Selling Shareholder 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 the 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 the Red Herring Prospectus.

Participation by our Promoter, Promoter Group, the BRLMs, the Syndicate Member and persons related to the Promoter/Promoter Group/ BRLMs

The BRLMs and the Syndicate Member 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 Member may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non- Institutional Category as may be applicable to such Bidders where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and the Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

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 Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the 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 NRIs Bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

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 paid up Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased upto the sectoral cap by way of a resolution passed by our Board of Directors followed by a special resolution passed by our Shareholders and subject to prior intimation to RBI.

The existing individual and aggregate investment limits for an FPI or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III Foreign Portfolio Investor and unregulated broad based funds, which are classified as Category II Foreign Portfolio Investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. 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) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the foreign portfolio investor 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 foreign portfolio investor.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments in our Company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations, *inter-alia*, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only upto 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up.

Our Company, the Selling Shareholder or the BLRMs shall not be responsible for the loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs. All Bidders (except Eligible Employees Bidding in the Employee Reservation Portion) will be treated on the same basis with other categories for the purpose of allocation.

The Selling Shareholder, our Company, or 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 dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Selling Shareholder, reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

Bids by Systemically Important Non-banking Financial Companies

In case of Bids made by Systemically Important Non-banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such systematically important non-banking financial company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the Selling Shareholder, reserves the right to reject any Bid without assigning any reason.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholder, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

(a) Equity Shares of a company: the lower of 10%* of the outstanding Equity Shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in Equity Shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding Equity Shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding Equity Shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholder reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholder reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, 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 Eligible Employees under the Employee Reservation Portion shall be subject to the following *:

The Bid must be for a minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (excluding Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to 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 (excluding Employee Discount). The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).

(b) The Bid must be for a minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (excluding Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to 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 (excluding Employee Discount).

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) The Bidder should be an Eligible Employee as defined above. In case of joint bids, the first Bidder shall be an Eligible Employee.

(e) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter subject to a maximum Bid Amount of ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (excluding Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to 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 (excluding Employee Discount).

(h) 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.

(i) If the aggregate demand in this category is less than or equal to 1,873,400 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net 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.

(k) If the aggregate demand in this category is greater than 1,873,400 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see “*Offer Procedure – Allotment Procedure and Basis of Allotment*” on page 329.

***** *The Offer includes a reservation of up to 1,873,400 Equity Shares aggregating to ₹ 162.99 million for subscription by Eligible Employees. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer and the Net Offer will constitute 26.00% and 25.00% respectively, of the post Offer paid-up Equity Share capital of our Company.In accordance with existing regulations, OCBs cannot participate in the Offer.*

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

General Instructions

***Do’s*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Instruct your respective banks not to release the funds blocked in ASBA account until six Working Days from the Bid/Offer Closing Date.

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. 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;

16. Ensure that the category and the investor status is indicated;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust, etc., relevant documents are submitted;

18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

19. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

21. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

22. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;

23. Ensure while bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

24. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

25. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FPIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of upto ₹ 200,000 (excluding Retail Discount) would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 (excluding Retail Discount) would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit revised Bid at a price less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. The payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;

7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholder or the Registrar to the Offer (assuming that the Registrar to the Offer is not one of the RTAs);

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

9. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

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 the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

11. Do not instruct your respective banks to release the funds blocked in your ASBA Account;

12. Do not submit the General Index Register number instead of the PAN;

13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

14. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

16. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);

18. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

19. Do not submit Bids to a Designated Intermediary at a location other than specified locations;

20. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section "*Part B – General Information Document for Investing in Public Offer – Offer Procedure in Book Built Offer – Rejection & Responsibility for*

Upload of Bids – Grounds for Technical Rejections" on page 327, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

5. Bids submitted without the signature of the First Bidder or sole Bidder;

6. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

7. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

8. GIR number furnished instead of PAN;

9. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount for a value of more than ₹ 200,000 or ₹ 500,000, respectively;

10. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

11. Bids accompanied by stockinvest, money order, postal order or cash; and

12. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Pre-Offer Advertisement

Subject to section 30 of the Companies Act, 2013, our Company, after registering the Red Herring Prospectus with the RoC, published a Pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations in (i) all editions of English national daily newspaper Financial Express; (ii) all editions of Hindi national daily newspaper Jansatta; and (iii) Hyderabad edition of Telugu daily newspaper Navatelangana, each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, 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 upto 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 upto three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholder do not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers in which the pre- Offer advertisement was published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- if our Company and the Selling Shareholder withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company and/ or any Selling Shareholder subsequently decides to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of Bid/Offer Closing Date or such time as prescribed;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- except as disclosed in the Red Herring Prospectus, 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 ASBA Account on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

Undertakings by the Selling Shareholders

The Selling Shareholders undertake severally and not jointly that:

- The Equity Shares are free and clear of all liens or encumbrances and shall be transferred to the successful Bidders within the specified time;

- None of the Equity Shares of our Company held by it are pledged with any bank or financial institution as collateral security for loans granted by such banks or financial institutions or with any other creditor;

- There shall be no recourse to the proceeds of the Offer until the final listing and trading approvals have been obtained from all the Stock Exchanges where listing is proposed.

- If the permission to deal in and for quotation of Equity Shares of our Company held by the President of India, acting through MoD as part of the Offer for Sale ("**Offered Shares**"), is not granted by any of the Stock Exchanges, the Selling Shareholder shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 15 days after the Selling Shareholder becomes liable to repay it, then the Selling Shareholder shall, on and from expiry of 15 days, be liable to repay the money, with interest in accordance with the applicable law;

- In relation to the Offered Shares, the funds required for making refunds to unsuccessful applicants or dispatch of Allotment Advice by registered post or speed post as per the modes described in the Red Herring Prospectus and the Prospectus shall be made available to the Registrar to the Offer;

- Where the refunds are made through electronic transfer of funds, suitable communication shall be sent to the applicant(s) within six working days of Bid/Offer Closing Date, or such other time period as may be prescribed by SEBI, giving details of the bank(s) where refunds shall be credited along with the amount and expected date of electronic refund;

- The certificates of the securities/refund orders or Allotment Advice to the Bidders, including those to non-residents Indians shall be dispatched within the specified time;

- It will take all such steps as may be required to ensure that the Equity Shares are available for transfer in the Offer for Sale;

- It will not sell, transfer, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares available in the Offer for Sale;

- It shall not sell or transfer, charge, pledge or otherwise encumber any locked-in Equity Shares proposed to form part of minimum Promoter's Contribution during the period starting from the date of filing the Draft Red Herring Prospectus with Securities and Exchange Board of India till the date of commencement of lock-in period, as stated in the Draft Red Herring Prospectus and thereafter, till such time that the lock-in remains effective, save and except as may be permitted under the SEBI ICDR Regulations, including *inter-se* transfer under regulation 40 of the SEBI ICDR Regulations; and

- It has authorized the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Utilisation of Offer Proceeds

Since the Offer is entirely through an offer for sale, our Company will not receive any proceeds from the Offer. The Selling Shareholder, 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.

PART B

General Information Document for Investing in Public Offers

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Offeror and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offer. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Offeror is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an offer for sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Offer**") or undertake a Fixed Price Offer ("**Fixed Price Offer**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Offer) and a Price or Price

Band in the draft prospectus (in case of a Fixed Price Offer) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Offer or a Fixed Price Offer.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than 10 Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Offer, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Offers the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

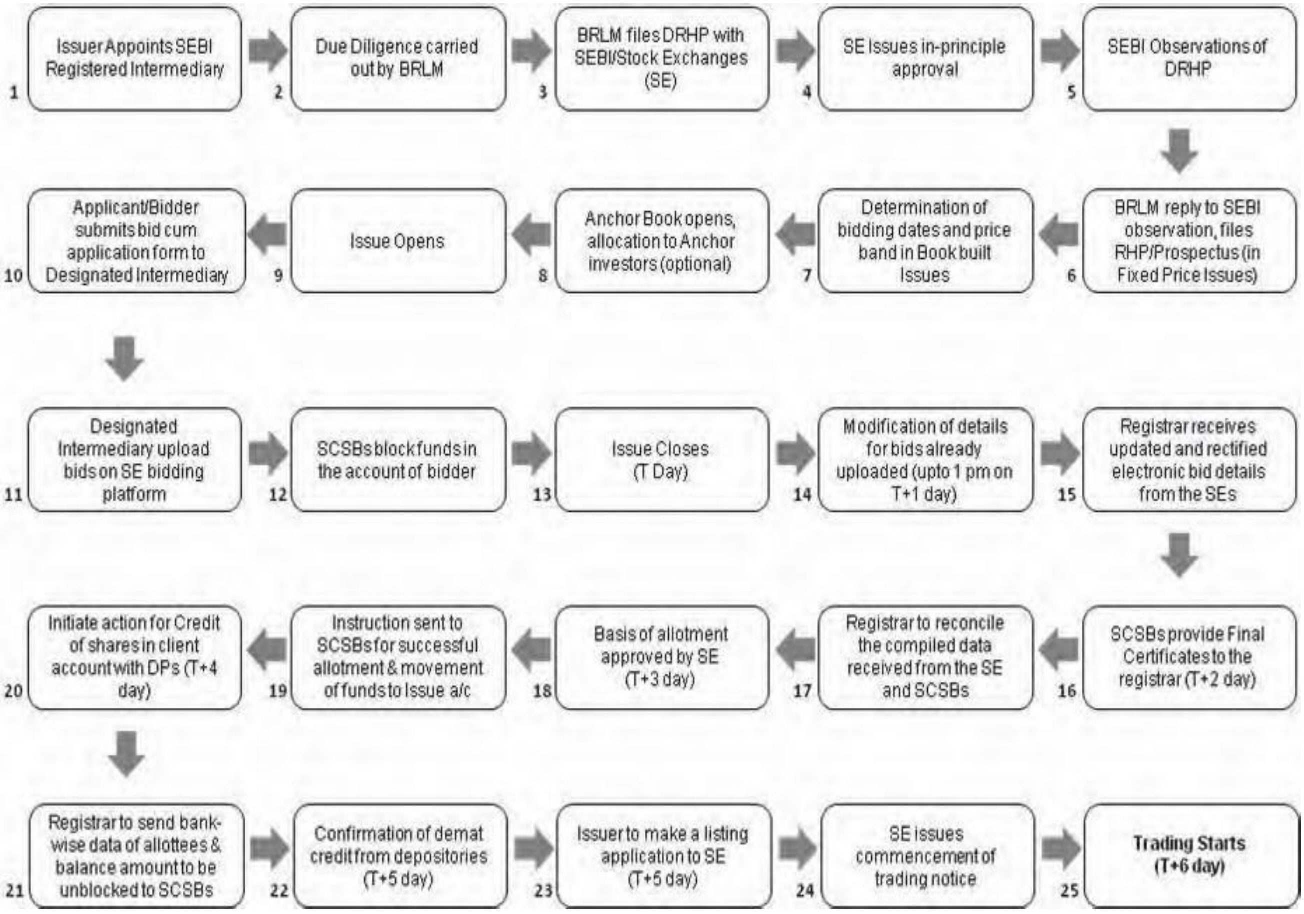
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Offers is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Offer (Fixed Price Offer) the process at the following of the below mentioned steps shall be read as:

  i. Step 7: Determination of Offer Date and Price

  ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN THE OFFER

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Offer: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the book running lead managers, the Designated Intermediaries at the Bidding Centres and at the Registered Office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Offer: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered Office of the Company. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or	Blue

Category	Colour of the Bid cum Application Form
foreign individuals bidding under the QIB), FPIs, on a repatriation basis	
Anchor Investors (where applicable) & Bidders Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form For Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No.	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

Retail Individual Bidder

Non-Institutional Bidder

QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - MF
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Application Form For Non- Residents

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 7 6 5 4 3 2 1	Bid Price 3 2 1	Retail Discount 3 2 1	Net Price 3 2 1	"Cut-off" (Please ✓ tick)
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- NRI — Non-Resident Indian(s) (Repatriation basis)
- FII — FII or Sub-account not a Corporate/Foreign Individual
- FIISA — FII Sub-account Corporate/Individual
- FVCI — Foreign Venture Capital Investor
- FPI — Foreign Portfolio Investors
- OTH — Others (Please Specify) ______

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending upto 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 upto three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.1 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("**PAN Exempted Bidders/Applicants**"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.2 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.3 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Bidders or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.3.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

(b) In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of upto ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be, NIBs and QIBs are not allowed to Bid at Cut-off Price.

(e) RIB may revise or withdraw their Bids until Bid/Offer Closing Date. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

(f) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(h) A Bid cannot be submitted for more than the Offer size.

(i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (for details of Bidders may refer to (Section 5.6 (e))

4.1.3.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.4 **FIELD NUMBER 5: CATEGORY OF BIDDERS/ APPLICANTS**

(a) The categories of Bidders/ Applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Upto 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.5 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.6 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.6.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.6.2 **Payment instructions for ASBA Bidders/ Applicants**

(a) Bidders/ Applicants may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by a SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders/ Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with a SCSB, will not be accepted.

(c) Bidders/ Applicants should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders/ Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders/ Applicants should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders/ Applicants Bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders/ Applicants Bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs Bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.6.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.6.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.7 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.8 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders/Applicants should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

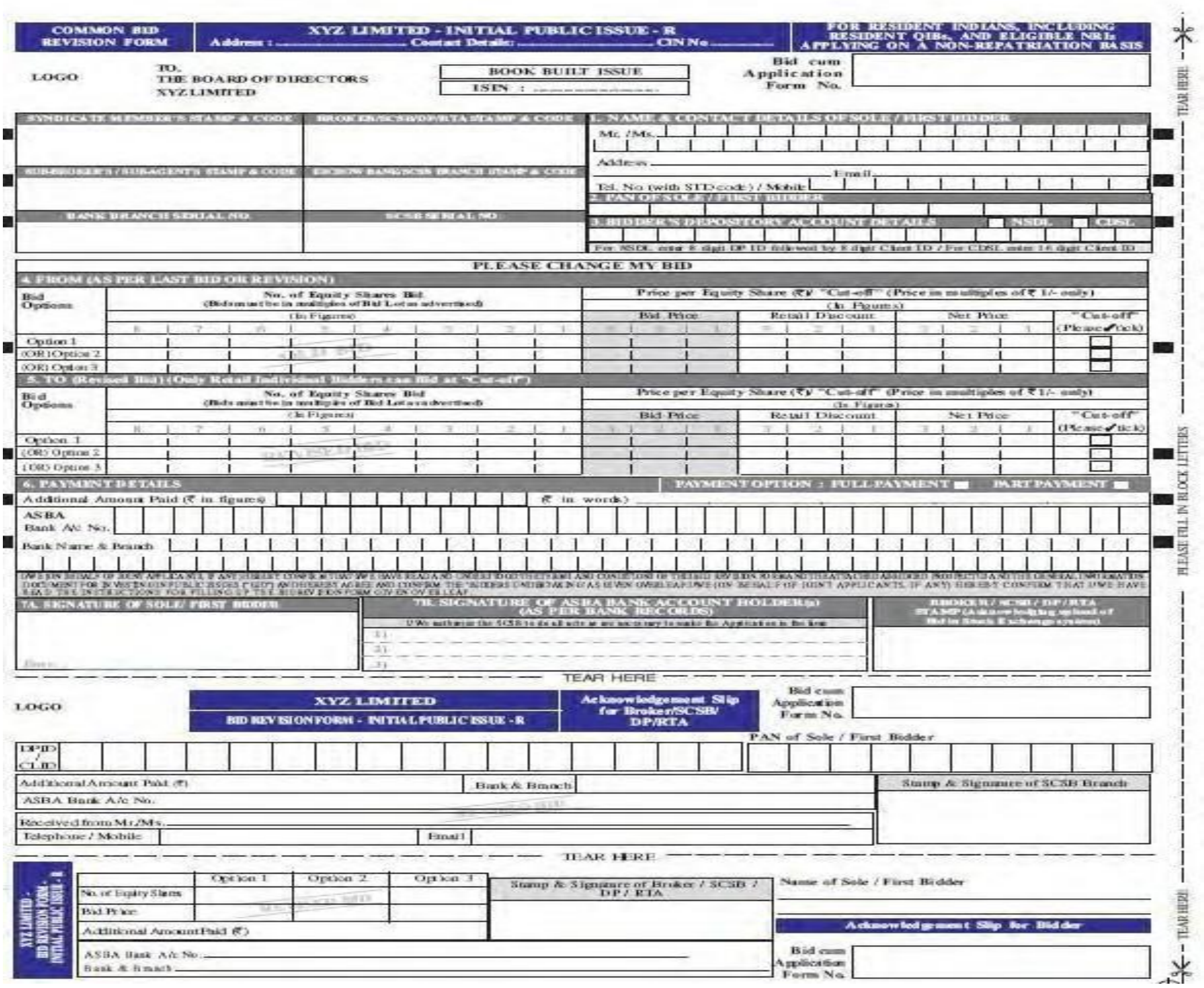
(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN :

Bid cum Application Form No.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

BANK BRANCH SERIAL NO.

SCSB SERIAL NO.

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options | No. of Equity Shares Bid (In Figures) | Price per Equity Share (₹) / "Cut-off" (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✔ tick)

Option 1
(OR) Option 2
(OR) Option 3

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options | No. of Equity Shares Bid (In Figures) | Price per Equity Share (₹) / "Cut-off" (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✔ tick)

Option 1
(OR) Option 2
(OR) Option 3

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP

Date

TEAR HERE

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XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹)

Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

TEAR HERE

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Offer Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by the Eligible Employees under the Employee Reservation Portion, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000 on a net basis. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹ 200,000 (which will be less Employee Discount) only in the event of an under-subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to 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 (which will be less Employee Discount).

(e) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(f) An application cannot be submitted for more than the Offer size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(i) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(j) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form.
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location. (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained.

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT OFFER

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR

Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIBs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

Any RIB whose Bid has not been considered for Allotment, due to failures on the part of the SCSB may seek redressal from the concerned SCSB within three months of the listing date in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

(b) The BRLMs and their affiliate Syndicate Member, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Member (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(k) Bids/Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Bids/Applications for shares more than the prescribed limit by each Stock Exchange for each category;

(o) Submission of more than five ASBA Forms/Application Forms per ASBA Account;

(p) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares as specified in the RHP;

(q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.

(b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders/ Applicants should note that this example is solely for illustrative purposes and is not specific to the Offer*; it also excludes Bidding by Anchor Investors.*

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

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis upto a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for upto 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for upto 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for upto 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the Issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation upto ₹ 100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and upto ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer, including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% *per annum* in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI ICDR Regulations but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH**— National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% *per annum* if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% *per annum* for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which has been considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Upto 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising a SCSB to block the Bid Amount in the specified bank account

Term	Description
Blocked Amount/ASBA	maintained with such SCSB
Application Supported by Blocked Amount Form/ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which has been considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
ASBA Account	Account maintained with a SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to an Applicants should be construed to mean an Bidder/Applicants
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2^{nd} and 4^{th} Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period

Term	Description
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after this Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Offer
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or

Term	Description
	Revision Form
Fixed Price Offer/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of Equity Shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automatic Clearing House
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Bidders or NIBs	All Bidders/Applicants which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	The offer for sale of upto 48,708,400 Equity Shares by the Selling Shareholders at the Offer Price aggregating upto ₹ 4,328.96 * million in terms of the Red Herring Prospectus. * Subject to finalisation of the Basis of Allotment
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of this Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Offer. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which did not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP was filed with the RoC at least three days before the Bid/ Offer Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer /RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres

Term	Description
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Member
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and the FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Further, pursuant to office memorandum dated June 5, 2017 issued by the Department of Economic Affairs, Ministry of Finance, GoI, the FIPB has been abolished. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the GoI will now be handled by the concerned ministries or departments, in consultation with the DIPP.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases. The DIPP issued the Consolidated Foreign Direct Investment Policy notified by the DIPP D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017 effective from August 28, 2017 ("**FDI Policy**"), consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The GoI proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DIPP issues an updated circular.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Circular; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per the existing policy of the GoI, OCBs cannot participate in this Offer.

The offer and sale of the Equity Shares has not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to 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, the Equity Shares are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Each purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S. The offer and sale of the Equity Shares has not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Selling Shareholder, our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Offered Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS 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:

Sr. No	Particulars	
1.	(a) Subject as hereinunder provided, the regulation contained in Table F of Schedule I to the Act (as defined hereinafter) shall apply to the Company. (b) Being a Government Company, such provisions of the Act, as shall be notified by the Government shall not apply or shall apply with such exceptions, modifications and adaptations as directed/notified by Central Government from time to time by virtue of powers conferred under section 462 of the Companies Act. (c) The regulations for the management of the Company and for the observance of the members thereof, and their representatives shall, be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Act.	**Applicability of Table F**
	Interpretation Clause	
2.	In the interpretation of these Articles, the following words and expressions shall have the following meanings unless repugnant to the subject or context. In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.	
	(a) "Act" and any reference to any section or provision thereof respectively means and includes the Companies Act, 2013 including any statutory amendments thereto, the Rules and the provisions of the Companies Act, 1956 (Act I of 1956), as may be in force for the time being, as the context may require.	**Act**
	(b) "Annual General Meeting" means a General Meeting of the Members held in accordance with the applicable provisions of the Act.	**Annual General Meeting**
	(c) "Articles" means these Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution.	**Articles**
	(d) "Auditors" means and includes those persons appointed as such under the provisions of the Act.	**Auditors**
	(e) "Board" means the board of Directors of the Company, as constituted from time to time, in accordance with Law and the provisions of these Articles.	**Board**
	(f) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles.	**Board Meeting**
	(g) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.	**Capital**
	(h) "Central Government" or "Government" means the Government of India.	**Central Government or Government**
	(i) "Chairman" means the Chairman of the Board of Directors for the time being of the Company.	**Chairman**
	(j) "Company" means Mishra Dhatu Nigam Limited.	**Company**
	(k) "Directors" means the directors for the time being of the Company.	**Directors**
	(l) "Dividend" includes interim dividend.	**Dividend**

Sr. No	Particulars	
	(m) "Executor" or "Administrator" a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a Certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.	**Executor** **or Administrator**
	(n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the holders of Members duly called and constituted in accordance with the Act.	**Extra-Ordinary General Meeting**
	(o) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form.	**In Writing and Written**
	(p) "Law" shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.	**Law**
	(q) "Legal Representative" means a person who in law represents the estate of a deceased Member.	**Legal Representative**
	(r) "MCA" means the Ministry of Corporate Affairs, Government of India.	**MCA**
	(s) "Meeting" or "General Meeting" means a meeting of members.	**Meeting or General Meeting**
	(t) "Month" means a calendar month.	**Month**
	(u) "National Holiday" means and includes a day declared as National Holiday by the Central Government.	**National Holiday**
	(v) "Non-retiring Directors" means a director not subject to retirement by rotation.	**Non-retiring Directors**
	(w) "Office" means the registered Office for the time being of the Company.	**Office**
	(x) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto respectively by Section 2(63) & Section 114 of the Act.	**Ordinary and Special Resolution**
	(y) "Paid up" means the amount credited as paid up.	**Paid Up**
	(z) "Person" means any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).	**Person**
	(aa) "Proxy" means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.	**Proxy**
	(bb) "President" means President of India	**President**
	(cc) "Registrar" means the Registrar of Companies.	**Registrar**
	(dd) "Register of Members" or "Register of Shareholders" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act.	**Register of Members**
	(ee) "Rules" means the rules made under the Companies Act, 2013 and notified from time to time	**Rules**
	(ff) "Seal" means the common seal for the time being of the Company.	**Seal**
	(gg) "SEBI" means Securities and Board Exchange of India	**SEBI**

Sr. No	Particulars	
	(hh) "Share" means share in the capital of the Company.	**Share**
	(ii) "Shareholder" shall mean any shareholder of the Company, from time to time.	**Shareholder**
	(jj) **"**Special Resolution**"** has the meaning assigned thereto by Section 114 of the Act	**Special Resolution**
	(kk) "Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.	**Statutes**
	(ll) "Variation" shall include abrogation; and "vary" shall include abrogate.	**Variation**
	(mm) "Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act.	**Year and Financial Year**
3.	**CONSTRUCTION**	
	In these Articles (unless the context requires otherwise): References to a Party shall, where the context permits, include such Party's respective successors, legal heirs and permitted assigns. The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles. References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein. Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings. Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation". The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise. A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence). Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions. References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities. References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.	
	PUBLIC LIMITED COMPANY	

Sr. No	Particulars	
4.	The Company is a public limited company within the meaning of section 2 (71) of the Act.	
	CAPITAL	
5.	The Authorized Share Capital of the Company shall be such amount and be divided into such as shares, as may be mentioned in Clause V of Memorandum of Association of the Company, from time to time, with such rights, privileges and conditions attached thereto as may be provided by the Company and with powers to the Company as permitted by the Act and applicable laws to increase, reduce or modify the said capital and divide the shares of the Company into several classes and attach thereto preferential, qualified or special rights, privileges or conditions as may be determined by the Company subject to provisions of the Act and other applicable Laws, and to vary, modify or abrogate any such rights, privileges, or conditions in such manner as may for the time being be provided by the Articles of the Company and allowed by Law.	**Authorized Capital.**
6.	Subject to the provisions of Section 61 of the Act, the clauses relating to alteration of capital as provided in Table F of the Act will be applicable to the Company.	**Alteration of Capital**
7.	The Paid-up Capital shall be at all times a minimum of Rs. 500,000/- (Rupees Five Hundred Thousand only) as required under the Act.	**Paid Up Capital**
8.	Subject to the approval of the President, the Company has power, from time to time, to increase its authorised or issued and Paid up Capital.	**Increase of Capital**
	(a) all equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company	
	(b) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly Paid Up shares and if so issued shall be deemed as fully/partly Paid Up shares	
	(c) The amount payable on application on each equity Share shall not be less than 5 percent of the nominal value of the equity Share or as may be specified by SEBI	
	(d) Nothing herein contained shall prevent the Directors from issuing fully paid up equity Shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company	
	(e) All of the provisions of these Articles shall apply to all of the Shareholders of the Company	
	(f) Any application signed by or on behalf of an applicant for equity Shares in the Company, followed by an allotment of any equity Shares therein, shall be an acceptance of equity Shares within the meaning of these Articles and every person who thus or otherwise accepts any equity Shares and whose name is on the Register of Shareholders shall for the purposes of these Articles be a Shareholder.	
	(g) The money, (if any), which the Board shall, on the allotment of any equity Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any equity Shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Shareholders as the name of the holder of such equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be	

Sr. No	Particulars	
	paid by him accordingly.	
	(h) Subject to the approval of the President, the Company may issue shares (whether forming part of original capital or any increased capital) and debentures and other securities in accordance with the provisions of Section 42, 55, 62, 63 and 71 of the Act and rules made thereunder and these Articles.	**Issue of securities**
9.	Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	**New Capital same as existing capital**
10.	(i) The Company in general meeting may, upon the recommendation of the Board, resolve- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (v), either in or towards- A. Paying up any amounts for the time being unpaid on any shares held by such members respectively; B. Paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; C. Partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B); D. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares; E. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation. (iii) Whenever such a resolution as aforesaid shall have been passed, the Board shall (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares, if any; and (b) generally do all acts and things required to give effect thereto. (iv) The Board shall have power (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares; (v) Any agreement made under such authority shall be effective and binding on such members.	**Capitalization of Profits**

Sr. No	Particulars	
11.	The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.	**Reduction of capital**
12.	(a) **Redeemable Preference Shares** The Company shall subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit. (b) **Convertible Redeemable Preference Shares** The Company shall subject to the applicable provisions of the Act and the consent of the Board have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.	**Redeemable Preference Shares**
13.	The holder of Preference Shares shall have a right to vote only on resolutions that directly affect the rights attached to his preference shares.	**Voting rights of preference shares**
14.	On the issue of redeemable preference shares under the provisions of Article thereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were Paid-Up Capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as	**Provisions to apply on issue of Redeemable Preference Shares**

Sr. No	Particulars	
	reducing the amount of its Authorized Share Capital	
15.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting. 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.	**Debentures**
16.	The Company may issue sweat equity Shares in compliance with Section 54 of the Act and other applicable Laws.	**Issue of Sweat Equity Shares**
17.	Subject to the provisions of Section 62 of the act and the applicable Laws, the Company may issue shares to employees including its Directors other than independent directors and such other persons as the rules may allow, under 'Employee Stock Option Scheme (ESOP)' or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.	**Employee Stock Option Scheme (ESOP)**
18.	Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other Law for the time being in force, the Company may purchase its own shares or other specified securities.	**Buy Back of shares**
19.	Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the Capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.	**Consolidation, Sub-Division and Cancellation**
	MODIFICATION OF CLASS RIGHTS	
20.	(a) If at any time the Capital, by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.	**Modification of rights**
	(b) The rights conferred upon the holders of the Shares including Preference Share, if any, of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking *paripassu* therewith.	**New Issue of Shares not to affect rights attached to existing shares of that class.**
21.	The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.	**Shares should be Numbered progressively and no share to be subdivided.**

Sr. No	Particulars	
	CERTIFICATES	
22.	(a) Subject to the listing obligations and the bye laws of the stock Exchanges, 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 fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery of such certificates within three months from the date of allotment unless the conditions of issue thereof otherwise provide, or within fifteen days of the receipt of the application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several right holders shall be sufficient delivery to all such holders. (b) Provided that in case of securities held by the member / Bond/ Debenture holder in dematerialized form, no Share/Bond/Debenture Certificates shall be issued. (c) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the cages on the reverse for recording transfers have been fully utilized unless the certificates in lieu of which it is issued is surrendered to the Company.	**Share Certificates**
23.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees. Provided that notwithstanding what is stated above the Directors shall comply with the applicable provisions of the Act and Law including the rules or regulations or requirements of any statutory modification or re-enactment thereof, for the time being in force. The provisions of this Article shall mutatis mutandis apply to debentures of the Company.	**Issue of new certificates in place of those defaced, lost or destroyed.**
24.	(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.	**The first named joint holder deemed Sole holder.**
	(b) The Company shall not be bound to register more than three persons as the joint holders of any share.	**Maximum number of joint holders.**
25.	If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.	**Installment on shares to be duly paid.**
	UNDERWRITING AND BROKERAGE	

Sr. No	Particulars	
26.	(i) Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.	**Commission**
	(ii) The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.	**Brokerage**
	CALLS, FORFEITURE AND SURRENDER OF SHARES	
27.	(a) All the provisions contained in Schedule I, Table F of the Act in respect of calls of shares and forfeiture thereof shall apply to the Company, except the proviso to Regulation 13(i) thereof. Provided that option or right to call on shares shall not be given to any person or persons without the sanction of the Company in general meeting; (b) Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared; (c) There will be no forfeiture of unclaimed dividends before the claim becomes barred by law.	**Calls on and forfeiture of shares.**
	LIEN	
28.	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. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares / debentures. Unless otherwise agreed the registration of a transfer of shares / debentures shall operate as a waiver of the Company's lien if any, on such shares / debentures. The Directors may at any time declare any shares / debentures wholly or in part to be exempt from the provisions of this clause.	**Company to have Lien on shares.**
29.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.	**Application of proceeds of sale.**
	TRANSFER AND TRANSMISSION OF SHARES	
30.	(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.	**Execution of the instrument of shares.**
31.	Notwithstanding any provisions contained in these articles regarding issuance/deal-in / holding / transfer / transmission of shares, the provisions of the Depositories Act, 1996 as amended from time to time and the rules and regulations framed there under shall apply for holding / transfer / transmission of shares and debentures in electronic form. The Company shall keep a register and index of beneficial owners in accordance with all applicable provisions of the Act, and the Depositories Act, 1996 with details	**Holding / transfer / transmission of shares in electronic form:**

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	of shares and debentures held in dematerialized forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any Country outside India a branch Register of beneficial owners residing outside India.	
32.	Subject to the provisions of Section 58 of the Act, the Board may, at its own absolute discretion and without assigning any reasons, decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that a proposed transferee be already a member), but in such cases it shall, within 30 days from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor, notice of the refusal to register such transfer, provided that 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 a lien on the shares.	**Restriction on Transfer of Shares**
33.	The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange;	**Transfer Form.**
34.	Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register— (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. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;	**Directors may refuse to register transfer.**
	DEMATERIALISATION OF SHARES	
35.	Subject to the provisions of the Act and Rules made there under the Company may offer its members facility to hold securities issued by it in dematerialized form.	**Dematerialization of Securities**
	JOINT HOLDER	
36.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.	**Joint Holders**
37.	(a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.	**Joint and several liabilities for all payments in respect of shares.**
	(b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;	**Title of survivors.**
	(c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and	**Receipts of one sufficient.**
	(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be serviced on all	**Delivery of certificate and giving of notices to first named holders.**

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	the holders.	
	BORROWING POWERS	
38.	Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any Person, firm, company, co-operative society, any body corporate, bank, institution whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.	**Power to borrow.**
	MEETINGS OF MEMBERS	
39.	Subject to provisions of Section 96 of the Act, the Company shall hold each year in addition to any other meetings, a general meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.	**Annual General Meetings**
40.	All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.	**Distinction between General Meeting and Extraordinary General Meeting**
41.	(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members	**Extra-Ordinary General Meeting by Board and by requisition**
	(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.	**When a Director or any two Members may call an Extra Ordinary General Meeting**
42.	Subject to the provisions contained in Section 101 of the Companies Act a general meeting may be called by giving not less than clear twenty one days' notice in writing or through electronic mode in such a manner as may be prescribed in the Rules. A general meeting may be called on giving shorter notice with the consent of members given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting as required by Section 101 of the Act.	**Notice of the Meeting**
43.	(a) No business shall be transacted at any General Meeting unless a quorum of members is present as per the provisions of the Act, at the time when the meeting proceeds to business. (b) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in Section 103 of the Act.	**Quorum**
44.	(a) The Chairman of the Board shall preside as Chairman at every General Meeting of the Company. (b) If there is no such Chairman, or if he is unwilling to act as Chairman or if he is unable to be present owing to unavoidable circumstances, or if he is not present	**Chairman of the Meeting**

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	within fifteen minutes after the time appointed for the holding the meeting, the relevant provisions of Schedule I, Table F of the Act shall apply.	
45.	(a) The Chairman, may with the consent of the majority of Members personally present at a meeting at which a quorum is present (and shall if so directed by such majority), adjourn that meeting from time to time and from place to place. (b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place. (c) When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly as may be as in the case of an original meeting. (d) Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of the business to be transacted at an adjourned meeting.	**Adjournment of meeting**
	VOTES OF MEMBERS	
46.	No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.	**Members in arrears not to vote.**
47.	Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be laid down as in Section 47 of the Act, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.	**Number of votes each member entitled.**
48.	On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.	**Casting of votes by a member entitled to more than one vote.**
49.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	**Vote of member of unsound mind and of minor**
50.	Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business / resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.	**Postal Ballot**
51.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	**E-Voting**
52.	(a) 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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed	**Votes of joint members.**

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	jointholders thereof. (b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	
53.	Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Articles	**Votes may be given by proxy or by representative**
54.	A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.	**Representation of a body corporate.**
55.	(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.	**Members paying money in advance.**
	(b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken.	**Members not prohibited if share not held for any specified period.**
56.	Any person entitled to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.	**Votes in respect of shares of deceased or insolvent members.**
57.	No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.	**No votes by proxy on show of hands.**
58.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	**Appointment of a Proxy.**
59.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.	**Form of proxy.**
60.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used.	**Validity of votes given by proxy notwithstanding death of a member.**
61.	No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote	**Time for objections to votes.**

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	not disallowed at such meeting shall be valid for all purposes.	
62.	Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	**Chairperson of the Meeting to be the judge of validity of any vote.**
63.	(a) The President may, so long as he is a member of the Company within the meaning of the Act, authorize from time to time such persons, whether a member of the Company or not as he thinks fit to act as his representative at any General Meeting of the Company or at any meeting of any class of members of the Company. (b) The President may, if he is a creditor including a holder of debentures of the Company within the meaning of the Act, authorize from time to time, such person as he thinks fit to act as his representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made therein or in pursuance of the provisions contained in any debenture or trust deed, as the case may be. (c) The President may, from time to time, revoke or cancel any authorization made in sub-clause (a) or sub-clause (b) of these Articles and make any fresh authorization or authorizations. (d) The production at the meeting of the Company or at the meeting of any Creditors of the Company of an order made and executed in the name of the President authenticated as provided by the Constitution of India in respect of such authorization, revocation or cancellation as aforesaid shall be accepted by the Company as sufficient and conclusive evidence thereof. (e) Any person authorized by the President to represent him as aforesaid may, if so authorized by the order of the President, appoint another person whether a member or not, as a proxy or substituted authority, whether special or general, to represent the President as aforesaid. (f) Any person authorized or appointed as aforesaid shall be entitled to exercise the same rights or powers including the right to vote by proxy, on behalf of the President whom he represents, as the President could exercise as member, creditor or holder of debenture of the Company.	**Representatives of the President at Meeting of the Company**
	DIRECTORS	
64.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and maximum upto such number as may be decided by the President of India.	**Number of Directors**
65.	A Director of the Company shall not be bound to hold any Qualification Shares in the Company.	**Qualification shares.**
66.	The Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India. Other members of the Board of Directors shall be appointed or reappointed by the President of India in consultation with the Chairman of the Board of Directors. The Directors shall be paid such remuneration as the President of India may, from time to time, determine.	**President to Appoint Directors and Determine their Remuneration**
67.	The President of India at his discretion may appoint the same persons or two different persons as the Chairman of the Board of Directors and the Managing Director of the Company for such period and on such terms and conditions as he may think fit and may revoke such appointment. The Chairman and the Managing Directors so appointed shall be entitled to hold office till the expiry of his tenure unless removed earlier by the President of India and any vacancy arising either by death, removal, resignation or otherwise may be filled by fresh appointment by the President of India.	**Chairman and Managing Director**

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68.	The Directors appointed shall be entitled to hold office for such period as the President of India may determine.	**Determination of period of appointment by the president**
69.	The vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise, shall be filled by reappointment or fresh appointment by the President of India.	**Vacancy of Directors**
70.	In place of a Director who is out of India the President of India may, in accordance with Article 21, appoint any person to be an Alternate Director during the period of absence out of India, of the Director concerned and such appointment shall have effect, and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and to vote there-at accordingly and he shall *ipso facto* vacate office if and when the original Director returns to India or vacates office as Director.	**Alternate Director**
71.	The continuing Directors may act notwithstanding any vacancy in the Board, but if the number falls below three, the Directors shall not act so long as the number of Directors is below the minimum.	**Directors may act notwithstanding any Vacancy**
72.	Until otherwise determined by the Company in General Meeting, each Director other than the Managing/whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.	**Sitting Fees**
	PROCEEDINGS OF THE BOARD	
73.	(a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. (c) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.	**Meetings of Directors**
74.	(a) The Board may elect a chairperson of its meetings and determine the period for which is to hold office. (b) All meetings of the Directors shall be presided over by the Chairman or the Chairman and Managing Director if present. If no such Chairperson is elected, or if at any meeting of the Board, the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. (c) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.	**Chairperson**
75.	The quorum for a meeting of the Board shall be in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.	**Quorum.**
76.	Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote.	**Questions at Board meeting how decided.**
77.	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	**Continuing directors may act notwithstanding any vacancy in the Board**

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	general meeting of the Company, but for no other purpose.	
78.	Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.	**Appointment of committee.**
79.	The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.	**Committee Meetings how to be governed.**
80.	(a) The Board may appoint chairperson to chair the meeting of the Committee and wheresoever not appointed by the Board the committee may elect a Chairperson of its meetings. (b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	**Chairperson of Committee Meetings**
81.	(a) A committee may meet and adjourn as it thinks fit. (b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	**Meetings of the Committee**
82.	Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director.	**Acts of Board or Committee shall be valid notwithstanding defect in appointment.**
	BYE-LAWS	
83.	The Board may as and when it thinks fit make any bye-laws consistent with the provisions of the Memorandum and Articles of Association of the Company in regard to conduct of business of the Company or of the Board thereof and may in like manner vary and amend such bye-laws.	**Power to make Bye-Laws**
	GENERAL POWERS OF THE BOARD	
84.	(a) Subject to the provisions of the Act and to such directive and or instructions as the President may issue from time to time under these Articles, the business of the Company shall be managed by the Board of Directors who may exercise all such powers and do all such acts and things as the Company is authorized to exercise and do and who may, from time to time delegate such powers to the Chairman and/or Managing Director as may be necessary for the proper conduct of the business of the Company. (b) Provided that the Board of Directors shall not exercise any powers or do any act or thing which is directed or required, whether by this or any other Act or by the Memorandum or Articles of the Company or otherwise to be exercised or done by the Company in the Annual General Meeting.	**Powers of the Board**

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85A.	Notwithstanding anything contained elsewhere in these articles, and subject to the provisions of the Act, the Board of Directors shall have the following powers under Mini-Ratna (Category I):	
	(i) To establish joint ventures and subsidiaries in India, with the stipulation that the Equity investment of the Company should be limited to 15% of the net worth of the Company in one project limited to Rs. 500 Crores. The overall ceiling on such investment in all projects put together shall be 30% of the net worth of the Company.	**To establish joint ventures and subsidiaries in India.**
	(ii) To establish subsidiaries and opening of offices abroad with the concurrence of Administrative Ministry.	**To establish subsidiaries and offices abroad**
	(iii) To enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements subject to Government of India guidelines as may be issued from time to time.	**To enter into tech joint ventures**
	(iv) To enter into mergers and acquisitions, subject to the conditions that a) it is as per the growth plan and in the core area of functioning of the Company b) conditions / limits would be as in the case of establishing joint ventures / subsidiaries as specified in sub clause (ii) above and c) the Cabinet Committee on Economic Affairs (CCEA) shall be kept informed in case of investments abroad.	**To enter into mergers and acquisitions**
	(v) To sub delegate the powers relating to Human Resource Management (appointments, transfer, posting etc.) of below Board level executives to subcommittees of the Board or to executives of the Company, as may be decided by the Board of the Company.	**To sub delegate the powers**
	Notwithstanding the above, further amendments from time to time in the Mini-Ratna Guidelines of Government of India on the above powers shall have an overriding effect. The powers at Clause 85A (i),(ii),(iii),(iv),(v) and any other enhanced autonomy and delegation of powers by DPE and/or other authority to Mini-Ratna Category–1 PSEs are to be exercised so long as the Company continues to retain Mini-Ratna Category–1 status.	**Mini-ratna Guidelines of GOI shall have an overriding effect.**
85.	Notwithstanding anything contained in these Articles, the Chairman shall reserve for the consideration of the President the following matters relating to the working of the Company, namely:- a. Calling up unpaid capital or increase in the authorized capital of the Company, or issuing of the unissued shares forming part of the original authorized capital and fixing the terms and conditions on which the capital is to be raised. b. Any programme of capital expenditure for an amount exceeding the limits, if any, contained in the Government guidelines issued from time to time. c. The Company's revenue budget in case there is an element of deficit, which is proposed to be met by obtaining funds from the Government. d. Appointment of any foreign national. e. Any proposal for action relating to reduction of capital. f. Implementation of the Company's five year plans and annual plans of development and capital budget financed from the consolidated fund of India. g. Issue of debentures. h. Winding up of the Company i. Sale, Lease, disposal or otherwise of the whole or substantially the whole of the	**Matters Reserved for the consideration of the President**

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	undertaking of the Company No action shall be taken by the Company, in respect of any matter reserved for consideration of the President as aforesaid until his approval to the same has been obtained.	
86.	Notwithstanding anything contained in the other Articles, the Board of Directors shall be competent to:- a) Authorize, without reference to government, the undertaking of works of a capital nature where Detailed Project Reports have been approved by the Government and to invite and accept tenders relating to works included in the approved Detailed Project Report, including variations, if any, in the approved estimates provided such variations are not more than 10% for any particular component part and do not substantially change the scope of the project. b) Incur capital expenditure on new projects, modernization, purchase of equipments etc. without government approval upto Rs. 500 Crores or equal to the net worth of the Company, whichever is lower. Provided that further amendments from time to time in the Mini ratna Guidelines of Government of India on Capital Expenditure powers shall have an overriding effect.	**Works of a Capital Nature**
87.	Notwithstanding anything contained in these Articles, the President may, from time to time, issue such directives or instructions as may be considered necessary in regard to the finances, conduct of business and affairs of the Company. The Company shall give immediate effect to the directions or instructions so issued. In particular, the President shall have the power:- (i) To give directions to the Company as to the exercise and performance of its functions in matters involving national security or substantial public interest. (ii) To call for such reports, accounts and other information with respect to property and activities of the Company, as may be required from time to time. Provided that all directives issued by the President shall be in writing addressed to the Chairman. The Board shall except where the President considers that the interest of the National Security requires otherwise, incorporate the contents of directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company. The Company shall, whenever it's Revenue Budget for any financial year shows an element of deficit which is proposed to be met by obtaining funds from the Government, submit the same to the President for approval.	**President's Rights to Issue Directives** **President's approval**
88.	The Company in Annual General Meeting may declare dividends to be paid to the members according to their respective rights and interest in the profits and may fix the time for payment but no dividend shall exceed the amount recommended by the Board. However the Company in general meeting may declare lesser Dividend. No Dividend shall bear interest against the Company.	**Declaration of dividend**
89.	No dividend shall be declared or paid by the Company for any financial year except out of profits, after providing for depreciation in accordance with the provisions of the Act or out of profits of the Company for any previous financial year or years arrived at, after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both, or out of moneys provided by Government for the payment of dividend in pursuance of a guarantee given by the Government, and no dividend shall carry interest as against the Company. The declaration of the Board as to the amount of the profits of the Company shall be conclusive.	**Dividends only to be paid out of profits**
90.	Subject to the provisions of Section 123 of the Act and Applicable Law, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.	**Interim Dividend**

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91.	The profits of the Company available for payment of dividend, subject to any special rights relating thereto created or authorized to be created by these prescribed and subject to the provisions of those presents as to the reserve fund shall with the approval of the President be divisible amongst the members in proportion to the amount of capital paid up on the shares held by them respectively. Provided always that (subject as aforesaid) any capital paid upon a share during the period in respect of which a dividend is declared, shall unless the directors otherwise determine, only entitle the holder of such share to an apportioned amount of such dividends as from the date of payment.	**Division of Profits and Dividend**
92.	The Board may, if it thinks fit, and subject to the provisions of Section 50 of the Act, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.	**Payment in anticipation of calls may carry interest**
93.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities, including debentures of the Company	**Provisions as to calls to apply mutatis mutandis**
94.	Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration to any Member entitled to the payment of the dividend, the Company shall transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account in a scheduled bank called "Unpaid Dividend Account of "Mishra Dhatu Nigam Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act. No unclaimed dividend or unpaid dividend shall be forfeited by the Board.	**Unpaid or Unclaimed Dividend**
95.	a. The Board shall provide a common seal for the Company and for the safe custody of the seal and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof. b. The common seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf. Subject to the provision of Law, at least one Director shall be present during the affixing of the seal and sign every instrument to which the seal is affixed and every such instrument shall be countersigned by the Secretary and in his absence by some other person appointed by the Board.	**Common Seal**
96.	The Auditor or Auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor General of India and their appointment, remuneration, powers and duties shall be regulated by Sections 139 to 147 of the Act.	**Audit**
	DOCUMENTS AND SERVICE OF NOTICES	
97.	Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.	**Signing of documents & notices to be served or given.**
98.	Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.	**Authentication of documents and proceedings.**
	WINDING UP	

Sr. No	Particulars	
99.	Subject to the provisions of Chapter XX of the Act and 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	
100.	Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company, and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court.	**Directors' and others right to indemnity.**
101.	Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.	**Not responsible for acts of others**
	SECRECY	
102.	a. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.	**Secrecy**
	b. No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or	**Access to property**

Sr. No	Particulars	
	properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.	**information etc.**
	ARBITRATION	
103.	In the event of any dispute or difference relating to the interpretation and application of the provisions of the contracts, such dispute or difference shall be referred by either party for Arbitration to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Government of India In-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996, as amended shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the dispute, provided, however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law-Secretary, Department of Legal Affairs, Ministry of Law & Justice, Government of India. Upon such reference the dispute shall be decided by the Law-Secretary or the Special Secretary/Additional Secretary, when so authorized by the Law-Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.	**Arbitration**
104.	Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its articles, then and in that case by virtue of this Article, the Company is hereby specifically authorised, empowered and entitled to have such right, privilege or authority to carry out such transactions as have been permitted by the Act without there being any separate/specific article in that behalf herein provided.	**General Authority**

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 Prospectus) which are or may be deemed material have been attached to the copy of this Prospectus (as applicable), which will be delivered to RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, were available for inspection at the Registered Office between 10.00 a.m. and 5.00 p.m. on all Working Days from the date of the Red Herring Prospectus with the RoC until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

a) Offer Agreement dated January 11, 2018 entered into among our Company, the Selling Shareholder and the BRLMs.

b) Registrar Agreement dated January 11, 2018 entered into among our Company, the Selling Shareholder and the Registrar to the Offer.

c) Escrow Agreement dated March 08, 2018 entered into among our Company, the Selling Shareholder, the BRLMs, the Escrow Collection Bank & the Refund Bank and the Registrar to the Offer.

d) Share Escrow Agreement dated March 08, 2018 entered into among our Company, the Selling Shareholder and the Share Escrow Agent.

e) Syndicate Agreement dated March 08, 2018 entered into among our Company, the Selling Shareholder, the BRLMs, the Syndicate Member and the Registrar to the Offer.

f) Underwriting Agreement dated March 26, 2018 entered into among our Company, the Selling Shareholder, the Underwriters and the Registrar to the Offer.

B. Material Documents in relation to the Offer

a) Certified copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.

b) Certificate of incorporation dated November 20, 1973 and a fresh certificate of incorporation dated November 13, 2017 consequent upon conversion of our Company to a public limited company.

c) Resolutions of the Board of Directors dated November 17, 2017 in relation to this Offer and other related matters.

d) The Selling Shareholder has, through letter bearing file number 23(60)/2015/D(NS-1) dated January 9, 2018, conveyed the approval granted by the GoI for the Offer.

e) The Selling Shareholder has, through letter bearing file number 23(60)/2015/D(NS-1) dated March 5, 2018, conveyed the consent for inclusion of upto 48,708,400 Equity Shares of our Company held by the President of India, acting through the MoD as part of the Offer for Sale portion of the Offer.

f) Letter issued by the Securities and Exchange Board of India vide letter numbered SEBI/HO/CFD/DIL1/OW/P2017/18400/1 dated August 03, 2017 for relaxation from the strict enforcement of Part A (VIII) – clause (B)(1)(b),(c),(e),B(2),B(3),D(1)(b)(i),(iii) & (v), D(1)(d) & (f), D5 and D6, Clause IX(B)(19)(b), Part A (XVI) belonging to Schedule VIII, clauses (1), 2(a), 2(c), 11 and 12(b) of Form A, clause (1) of Form C, clause 1 of Form D and clause 1 of Form E (regarding due diligence certificate after opening of the Offer) belonging to Schedule VI, of the SEBI ICDR Regulations and Schedule IV (L) of SEBI Listing Regulations, at the time of filing the Red Herring Prospectus.

g) Letter issued by the Securities and Exchange Board of India vide letter numbered SEBI/HO/CFD/DIL1/OW/P2018/1682/1 dated January 17, 2018 for relaxation form the strict enforcement of Regulation 18(3), 19(4), 7(1) and 30 of SEBI Listing Regulations, at the time of filing the Red Herring Prospectus.

h) The examination report of the Statutory Auditor dated February 6, 2018 on the Restated Financial Statements, included in this Prospectus.

i) Copies of the annual reports of our Company for the Fiscals 2013, 2014, 2015, 2016 and 2017.

j) Statement of Tax Benefits dated November 30, 2017 from our Statutory Auditor.

k) Consent of Directors, BRLMs, Indian Legal Counsel to our Company and the Selling Shareholder, Indian Legal Counsel to the BRLMs, International Legal Counsel to our Company and the Selling Shareholder, Registrar to the Offer, Bankers to the Offer and Refund Banks, Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

l) Consent of our Statutory Auditors, dated March 5, 2018, to include their name as experts in relation to their reports on the Restated Financial Statements dated February 6, 2018 and the statement of tax benefits dated November 30, 2017 included in this Prospectus.

m) Ministry of Defence Order Letter No. 2(15)/2014/MDN/D(NS-I) dated July 27, 2015 for the appointment of Dr. D. K. Likhi as Chairman and Managing Director and Ministry of Defence Order No. 2(15)/ 2014/MDN/D(NS-I) dated November 03, 2015 prescribing the terms and conditions of his employment.

n) Ministry of Defence Order Letter No. 2 (13)/2015/MDN/D (NS-I) dated May 23, 2016 for the appointment and prescribing the terms and conditions of his employment of Sanjay Kumar Jha as Director as Director Production and Marketing.

o) Ministry of Defence Order Letter No. Letter No. 2 (5)/2015/MDN/D (NS-I) dated September 19, 2016 for the appointment and prescribing the terms and conditions of his employment of Sanjeev Singhal as Director Finance.

p) Ministry of Defence Order Letter No. 2 (11)/ 2013/MDN/D(NS-I) dated December 01, 2015 for the appointment of Indraganty Venkateswara Sarma as Non Official Part Time (Independent) Director

q) Ministry of Defence Order Letter No. 2 (11)/ 2013/MDN/D(NS-I) dated December 01, 2015 for the appointment of Dr. Jyoti Mukhopadhyay as Non Official Part Time (Independent) Director

r) Ministry of Defence Order Letter No. 2 (11)/ 2013/MDN/D(NS-I) dated December 01, 2015 for the appointment of Dr. Usha Ramachandra as Non Official Part Time (Independent) Director

s) Ministry of Defence Order Letter No. 11(66)/2017/MDN/D (NS) dated September 08, 2017 for the appointment of Surendra Sinh as Non Official Part Time (Independent) Director

t) Memorandum of Understanding signed with Ministry of Defence for the financial year 2016-2017.

u) Tripartite Agreement dated January 2, 2018 amongst our Company, NSDL and Registrar to the Offer.

v) Tripartite Agreement dated January 1, 2018 amongst our Company, CDSL and Registrar to the Offer.

w) Due Diligence Certificate dated January 16, 2018 addressed to SEBI from the BRLMs.

x) In principle listing approvals dated January 31, 2018 and February 01, 2018 issued by the BSE and the NSE respectively.

y) SEBI observation letter dated February 15, 2018 bearing reference number SRO/Issues/AT/OW/P/0004967/01/2018.

z) Consent for inclusion of Industry Report dated December 13, 2017 from Frost & Sullivan.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules/ regulations and guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, SCRR, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Dr. Dinesh Kumar Likhi

Chairman and Managing Director

Sanjay Kumar Jha

Director (Production and Marketing)

Sanjeev Singhal

Director (Finance) and Chief Financial Officer

Indraganty Venkateswara Sarma

Independent Director

Dr. Jyoti Mukhopadhyay

Independent Director

Dr. Usha Ramachandra

Independent Director

Surendra Sinh

Independent Director

Date: March 26, 2018

Place: Hyderabad

DECLARATION

On behalf of the Selling Shareholder, I certify that the statements and undertakings made in this Prospectus about or in relation to the Selling Shareholder and the Equity Shares offered pursuant to the Offer for Sale are true and correct.

Signed on behalf of the Selling Shareholder

Authorised Signatory of the President of India, acting through the Department of Defence Production, Ministry of Defence

Name: Ms. Sadhna Khanna

Designation: Deputy Secretary (NS)

Date: March 26, 2018

Place: New Delhi